

# COMPOSITION OF COMMITTEES OF ADVANCE PETROCHEMICALS LIMITED

## AUDIT COMMITTEES:

### 1) Audit Committees :

Section 177 of the Companies Act, 2013 provides that every listed company shall constitute an Audit Committee comprising of a minimum of three directors with independent directors forming a majority. The current composition of Audit Committee is as follows:

- Mr. Nirish Jagabhai Parikh– Non Executive - Independent Director – Chairman of Committee
- Mr. Akshat Arunbhai Shukla– Non Executive- Independent Director – Member of Committee
- Mr. Arvind Goenka- Non Executive- Non Independent Director – Member of Committee

### 2. Responsibilities of Audit Committees:

The AC shall act in terms of reference specified by the Board which shall, inter-alia, includes,

- i. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Examination of the financial statement and the auditors' report thereon;
- iv. Approval or any subsequent modification of transactions of the company with related parties;
- v. Scrutiny of inter-corporate loans and investments;
- vi. Valuation of undertakings or assets of the company, wherever it is necessary;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. Monitoring the end use of funds raised through public offers and related matters.
- ix. 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;
- x. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- xi. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- xii. 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 utilized 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;
- xiii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- xiv. Approval or any subsequent modification of transactions of the company with related parties;
- xv. Evaluation of internal financial controls and risk management systems;
- xvi. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xvii. 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;
- xviii. Discussion with internal auditors of any significant findings and follow up thereon;
- xix. 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;
- xx. 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;
- xxi. 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;
- xxii. To review the functioning of the Whistle Blower mechanism;
- xxiii. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xxiv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. 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
  - 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 management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report

### **3. Authority of Audit Committee:**

The AC shall act and have following authority:

- i. 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
- ii. To discuss any issues related to internal control systems with the internal and statutory auditors and the management of the company.
- iii. To investigate into any matter in relation to the performance of its duties and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

- iv. To hear the auditors of the company and the key managerial personnel when it considers the auditor's report.
- v. To investigate any activity within its terms of reference.
- vi. To seek information from any employee.
- vii. To obtain outside legal or other professional advice.
- viii. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**4. Annual General Meeting:** The Chairman of the Audit Committee shall attend the annual general meeting to answer shareholders queries and provide any clarifications on matters related to audit.

**5. Secretary:** The Company Secretary shall act as the Secretary to the Audit Committee

## 2) NOMINATION AND REMUNERATION COMMITTEES:

Section 178(1) of Companies Act , 2013 The Board of Directors of 4[every listed public company] and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be Independent directors:

The current composition of NRC Committee is as follows:

- Mr. Nirish Parikh – Non Executive - Independent Director – Chairman of Committee
- Mr. Akshat Arunbhai Shukla – Non Executive- Independent Director – Member of Committee
- Mr. Arvind Goenka – Non Executive – Non Independent Director – Member of Committee

**Secretary:** The Company Secretary shall act as the Secretary to the Stakeholder Relationship Committee

## 3) STAKEHOLDER RELATIONSHIP COMMITTEES:

Section 178 (6) The Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the company.

The current composition of SRC Committee is as follows:

- Mr. Arvind Goenka – Non Executive – Non Independent Director – Chairman of Committee
- Mr. Nirish Parikh – Non Executive - Independent Director – Member of Committee
- Mr. Akshat Arunbhai Shukla – Non Executive- Independent Director – Member of Committee

**Secretary:** The Company Secretary shall act as the Secretary to the Stakeholder Relationship Committee

**Annual General Meeting:** The Chairman of the Audit Committee shall attend the annual general meeting to answer shareholders queries and provide any clarifications on matters related to audit.