



**TERMS OF REFERENCE OF COMMITTEES OF  
BOARD OF DIRECTORS  
OF SUUMAYA INDUSTRIES LIMITED**

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## TERMS OF REFERENCE

### AUDIT COMMITTEE

#### a) As prescribed by the Companies Act, 2013

- (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 of all related party transactions or any subsequent modification of transactions of the company with related parties;
- (v) making omnibus approval for related party transactions subject to the conditions prescribed in Rule 6A of The Companies (Meetings of Board and its Powers) Rules, 2014;
- (vi) Making Recommendations to the Board of Directors for transactions, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction;
- (vii) Scrutiny of inter-corporate loans and investments;
- (viii) Valuation of undertakings or assets of the company, wherever it is necessary;
- (ix) Evaluation of internal financial controls and risk management systems;
- (x) Monitoring the end use of funds raised through public offers and related matters;
- (xi) To oversee the establishment of vigil mechanism for directors and employees and report genuine concerns to the Board of Directors.

#### b) As prescribed under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- (i) 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;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) 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. modified opinion(s) in the draft audit report
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- (vi) 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) 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;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) 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;
- (xvi) 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;
- (xvii) 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;
- (xviii) To review the functioning of the Whistle Blower mechanism;
- (xix) Approval of appointment of Chief Financial Officer (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;
- (xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- (xxi) Approval to all related party transactions as per Regulation 23;
- (xxii) reviewing the utilization of loans and/ or advances from/investment by the holding company in the Company exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the effective date of Listing Amendment Regulations, 2018;
- (xxiii) Reviewing the Management discussion and analysis of financial condition and results of operations;
- (xxiv) Reviewing the statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (xxv) Reviewing the management letters / letters of internal control weaknesses issued by the statutory auditors;
- (xxvi) Reviewing the internal audit reports relating to internal control weaknesses;
- (xxvii) Reviewing the appointment, removal and terms of remuneration of the chief internal auditor.

(xxviii) Reviewing the statement of deviations:

- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and 32(5);
- b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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## NOMINATION AND REMUNERATION COMMITTEE

### a) As prescribed by the Companies Act, 2013

- (i) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down
- (ii) To recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- (iii) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (iv) The Nomination and Remuneration Committee shall, while formulating the policy under subsection (3) ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### b) As prescribed by Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- (iii) Devising a policy on Board diversity;
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- (v) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (vi) recommend to the board, all remuneration, in whatever form, payable to senior management.

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## **INVESTOR RELATIONS & GRIEVANCE COMMITTEE (STAKEHOLDERS RELATIONSHIP COMMITTEE)**

### **a) As prescribed by the Companies Act, 2013**

To consider and resolve the grievances of security holders of the company.

### **b) As prescribed by Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

- (i) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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## RISK MANAGEMENT COMMITTEE

### **Roles:**

1. To assess the Company's risk profile and key areas of risk in particular.
2. To recommend the Board and adaptation of risk assessment and rating procedures.
3. To articulate the Company's policy for the oversight and management of business risk.
4. To examine and determine the sufficiency of the company's internal process for reporting on and managing key risk areas.
5. To assess and recommend the Board acceptable levels of risk.
6. To develop and implement a risk management framework and internal control system.
7. To review the nature and level of insurance coverage.
8. To have the special investigation into areas of corporate risk and breakdowns in internal control.
9. To review management's response to the company's auditor's recommendations those are adopted.
10. To report the trends in the company's risk profile reports on specific risks and the status of the risk management process.

### **Responsibility and Authority:**

1. To define the risk appetite of the organisation.
2. To exercise oversight of management's responsibilities and review of the risk profile of the organisation to ensure that risk is not higher than the risk appetite determines by the Board.
3. To ensure that the company is taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.
4. To assist the board in setting risk strategies, policies, frameworks, models and procedure in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.
5. To review and assess the quality, integrity and effectiveness of risk management systems and ensure that the risk policies and strategies are effectively managed.
6. To ensure that the company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risk, and to decide the company's appetite or tolerance for risk.
7. To ensure that a systematic, documented assessment of the process and outcomes surrounding key risks is undertaken at least annually for the purpose of making its public statement on risk management including internal control.
8. To oversees formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the company's objectives are attained.
9. To review process and procedure to ensure the effectiveness of internal systems of control so that decision making capability and accuracy of reporting and financial results are always maintained at an optional level.

10. To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts.
11. To review the risk-bearing capacity of the company in light of its reserves, insurance coverage, guarantee funds or other such financial structures.
12. To fulfil its statutory, fiduciary and regulatory responsibilities.
13. To ensure that the risk awareness raised by culture is pervasive throughout the organisation.
14. To review issues raised by the internal Audit that impact the risk management framework.
15. To ensure that the infrastructure, resource and systems are in place for risk management is adequate to maintain a satisfactory level of risk management discipline.
16. Perform other activity related to risk management as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.
17. The risk management committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
18. The risk management committee may form and delegate authority to subcommittees when appropriate. The risk management committee shall make regular reports to the Board, including with respect to risk management and minimization procedures.
19. The risk management committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
20. The risk management committee shall have access to any internal information necessary to fulfil its oversight role.
21. The risk management committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
22. The role and responsibilities of the risk management committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.
23. The Board shall reviews the performance of the risk management committee annually.
24. The risk management committee to periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard.
25. The risk management committee shall annually review and approve the Risk Management Framework of the Company.
26. The risk management committee shall periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.
27. The risk management committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).



28. The risk management committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
29. The risk management committee may form and delegate authority to subcommittees when appropriate. The risk management committee shall make regular reports to the Board, including with respect to risk management and minimization procedures.
30. The risk management committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
31. The Board shall review the performance of the risk management committee annually. The risk management committee shall have access to any internal information necessary to fulfil its oversight role.
32. The risk management committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
33. The role and responsibilities of the risk management committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

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## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### a) As prescribed by the Companies Act, 2013

- (i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- (ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (iii) monitor the Corporate Social Responsibility Policy of the company from time to time.
- (iv) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -
  - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - (b) the manner of execution of such projects or programmes undertaken by the company itself or through
    - a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
    - a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
    - any entity established under an Act of Parliament or a State legislature; or
    - a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities;
  - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (d) monitoring and reporting mechanism for the projects or programmes; and
  - (e) details of need and impact assessment, if any, for the projects undertaken by the company;

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