

## “Constitution of Audit Committee of RANJEET MECHATRONICS LIMITED”

Committee here means, Audit Committee of the Board constituted by the Directors of ‘Ranjeet Mechatronics Limited’ in accordance with Listing Agreement and section 177 of the Companies Act, 2013.

Details of composition, terms of reference etc. of each of the above committees are provided hereunder;

### **Audit Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on July 12, 2018, constituted Audit Committee.

### **The constitution of the Audit Committee is as follows:**

Name of the Directors	Designation	Nature of Directorship
Mr. Jayanta Kumar Pani	Chairman	Independent Director
Mr. Kunal Sudhirbhai Shah	Member	Independent Director
Mr. Rakesh Vallabhbbhai Swadia	Member	Chairman Cum Managing Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

### **Terms of Reference**

The Role of Audit Committee not limited to but includes:-

- i. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
- ii. Review and monitor the auditors’ independence and performance, and effectiveness of audit process;
- iii. Examination of financial statement and auditors’ report thereon including interim financial result before submission to the Board of Directors for approval;
  - a. Changes, if any, in accounting policies and practices and reasons for the same
  - b. Major accounting entries involving estimates based on the exercise of judgment by management

### **RANJEET MECHATRONICS LTD.**

**(FORMERLY KNOWN AS: RANJEET ELECTRIC PVT. LTD. || DESTINY ZONE SECURITY SYSTEMS PVT. LTD. || HIMGIRI SOLUTIONS PVT. LTD.)**

**CORPORATE ADDRESS/REGD OFF:** - Block A. #407 Dev Aurum, Anandnagar Cross Road, Prahaladnagar Road, Ahmedabad.

380015. Gujarat. Tel.: 91 79 40009390. / 9099053990..

Email: [info@ranjeet.co.in](mailto:info@ranjeet.co.in) CIN NO. U31100GJ1993PLC019635

- c. Significant adjustments made in the financial statements arising out of audit findings
  - d. Compliance with listing and other legal requirements relating to financial statements
  - e. Disclosure of any related party transactions
  - f. Qualifications in the draft audit report.
- iv. Approval or any subsequent modification of transactions of the Company with related party;  
Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;
- Provided further that in case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;
- Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;
- v. Reviewing, with the management, and monitoring 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;
  - vi. Scrutiny of Inter-corporate loans and investments;
  - vii. Reviewing and discussing 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;
  - viii. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
  - ix. Valuation of undertakings or assets of the company, where ever it is necessary;
  - x. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
  - xi. 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;
  - xii. 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 & background, etc. of the candidate; and
  - xiii. Carrying out any other function as assigned by the Board of Directors from time to time.

## **Review of Information**

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Internal Auditor.

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### **Powers of Committee**

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Quorum and Meetings**

The audit committee shall meet as and when require to discuss and approve the items included in its role. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall present at the Meeting.

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