

**BENGAL AEROTROPOLIS PROJECTS LIMITED**

**TERMS OF REFERENCE OF  
AUDIT COMMITTEE**

**(FRAMED UNDER SECTION 177(9) OF COMPANIES ACT, 2013)**

## **1. Aims and Purpose**

The Audit Committee is to assist the Board of Directors in fulfilling the Board's oversight responsibilities, by reviewing the financial information, internal controls (financial, operational, compliance and risk management) and auditing (internal and statutory), accounting and financial reporting process, and recommend appropriate systems to be established.

## **2. Composition**

- i. The Audit Committee shall comprise of at least three (3) Directors, with Independent Directors forming a majority.
- ii. Majority of the members of the Audit Committee including its Chairperson shall be persons with the ability to read and understand the financial statements.

## **3. 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 statements before their submission to the Board.
- ii. To discuss any related issues with the internal and statutory auditors and the management of the Company.
- iii. To investigate or authorize investigation into any matter within the scope of its responsibilities or referred to it by the Board.
- iv. To obtain professional advice from external sources.
- v. To have full access to information contained in the records of the Company.
- vi. To seek any information it requires from any employee of the Company and external parties for the purposes of its responsibilities.
- vii. The Audit Committee shall at all times carry out its responsibilities subject to, and consistent with the rights of shareholders contained in the Shares Subscription cum Shareholders Agreement dated 27 September 2011 (as amended and supplemented from time to time).

## **4. Meetings and Proceedings**

- i. The meetings and proceedings of the Audit Committee shall be governed by provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meeting of Board

and its Powers) Rules, 2014, Secretarial Standard on Meetings of the Board of Directors, and in accordance with the Articles of Association of the Company. Further, questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes as per Article 226 of the Articles of Association of the Company.

- ii. The Audit Committee shall meet at least twice (2) in a financial year prior to the Board's approval of the full year and the half yearly financial statements, and at any other time as may be necessary to carry out its responsibilities.
- iii. Meetings of the Audit Committee shall be called by the Secretary of the Audit Committee and at the request of any of its members.
- iv. A meeting of the Audit Committee shall be called by giving not less than seven (7) days' notice in writing to every member at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means provided that a meeting may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting.
- v. The members present at the meeting may elect one of them as the Chairperson to the Audit Committee.
- vi. The Chief Financial Officer (CFO) or the Company Secretary shall act as the Secretary of the Audit Committee.
- vii. A quorum of three (3) members shall be required for the Audit Committee meeting, one of whom must be a Director nominated by Changi Airports India Pte. Ltd.
- viii. The Audit Committee may invite any member of the Management including the Chief Executive Officer, CFO, auditors (internal and statutory) to attend the meeting as and when they deem appropriate.
- ix. The Secretary shall minute the proceedings and resolutions of all meetings of the Audit Committee, including recording the names of those present and in attendance. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- x. Minutes of Audit Committee meetings shall be circulated within fifteen (15) days in writing to all members of the Audit Committee.

## **5. Duties and Responsibilities**

The duties and responsibilities of the Audit Committee shall, inter alia, include the following:

- 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. This includes:
  - a) Reviewing the scope of other services that the auditor may provide and approval of payment for any other additional services rendered;
  - b) Reviewing the scope and results of the statutory auditor and its costs effectiveness.
  - c) Reviewing auditor's management letter and management's response.
  - d) Reviewing annually the auditor's objectivity and independence; considering and recommending to the Board in relation to the appointment, terms of engagement, re-appointment and removal of the auditor.
  - e) Reviewing whether there is emphasis placed on audit quality by the engagement partner and the audit firm, whether adequate and appropriate human resources for the engagement, whether there was substantial involvement by the partner, and whether audit team exercises appropriate level of professional skepticism.
  - f) Reviewing and approving the annual audit plan for consistency with the audit engagement.
  - g) Meeting with the auditors at least once a year to discuss issues arising, audit judgments and errors identified.
- iii. Examination of the financial statements as well as the Half Yearly financial statements of the Company and the Auditors' Reports thereon prior to submission to the Board for approval. Such examination to include:
  - a) Reviewing the integrity of the Financial Statements, Annual Report and Accounts (Audited and Unaudited) of the Company, including the following: (a) consistency of accounting policies and reasons for any changes, (b) methods used to account for significant or unusual transactions, (c) whether the Company followed appropriate accounting standards, (d) clarity of disclosure, all material information presented with the financial statements, (e) major accounting entries involving estimates based on the exercise of judgment by management; (f)

significant adjustments made in the financial statements arising out of audit findings and (g) related party transactions

- 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. This includes:
  - a) Reviewing the effectiveness of the company's businesses and systems; treasury and financial management policies, information technology security and controls.
  - b) Reviewing and approving statements to be included in the annual reports on internal controls and risk management of key risks including interest rate risk.
- viii. Monitoring the end use of funds raised through public offers and related matters.
- ix. Formulate the scope, functioning, periodicity and methodology for conducting the internal audit and oversee and review the effectiveness of the Company's internal audit function. This includes:
  - a) Ensuring that it is adequately resourced in the context of the Company's overall risk management system.
  - b) Reviewing the internal audit charter, plans and activities.
  - c) Reviewing and monitoring management's responsiveness to the major findings and recommendations of the internal auditor, and difficulties encountered during the course of audit.
  - d) Discussion with internal auditors of any significant findings and follow up there on.
  - e) 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;
  - f) Reviewing and assessing the annual internal audit plan, reports from internal auditors, and management responses to the findings of internal auditor.

- g) Reviewing the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- x. Shall oversee the functioning of the vigil mechanism as formulated by the Company. This includes:
  - a) Reviewing the Company's arrangements for employees to raise concerns, in confidence, about possible wrongdoing or improprieties in financial reporting or other matters. The Audit Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
  - b) Reviewing the procedures for detecting fraud and provide observations in relation to the issues raised by the auditor identifying fraud.
- xi. Carry out any other function as may be advised by the Board from time to time.

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