

## Patels Airtemp (India) Limited

(CIN No. L29190GJ1992PLC017801)

### COMPOSITION OF VARIOUS COMMITTEES OF THE BOARD OF DIRECTORS

#### A. Composition of the Board Committees:

Directors	Status in Board of Director	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Narayanbhai G. Patel	Executive	Member	Member	Member	Member
Shivang P. Patel	Executive	-	-	-	-
Sanjiv N. Patel	Executive	-	-	-	-
Apurva V. Shah	Executive	-	-	-	-
Hareshkumar I. Shah	Independent	Chairman	Chairman	Chairman	Chairman
Veenaben B. Patel	Independent	Member	Member	Member	-
Himanshu N. Rawal	Independent	Member	Member	Member	Member
Rajendra C. Patel	Independent	-	-	-	-

#### B. Audit Committee:

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

#### Terms of Reference:

Audit Committee shall have the following terms of reference as mentioned in Section 177(4) of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR):

- 1) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 2) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 3) examination of the financial statement and the auditors' report thereon; Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - 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 reasons for the same;
  - III. Major accounting entries involving estimates based on the exercise of judgment by management;

- IV. Significant adjustments made in the financial statements arising out of audit findings;
  - V. Compliance with listing and other legal requirements relating to financial statements;
  - VI. Disclosure of any related party transactions;
  - VII. Qualifications in the draft audit report
- 4) approval or any subsequent modification of transactions of the company with related parties;
  - 5) scrutiny of inter-corporate loans and investments;
  - 6) valuation of undertakings or assets of the company, wherever it is necessary;
  - 7) evaluation of internal financial controls and risk management systems;
  - 8) 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;
  - 9) 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;
  - 10) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - 11) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - 13) 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;
  - 14) Discussion with internal auditors of any significant findings and follow up there on;
  - 15) 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;
  - 16) 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;
  - 17) 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;
  - 18) To review the functioning of the Whistle Blower mechanism;

- 19) 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.”

### **C. Nomination and Remuneration Committee (“NRC”):**

The Board of Directors of the Company in its meeting held on 9th August, 2014,—changed the nomenclature of the Remuneration Committee of the Company to “Nomination and Remuneration Committee”.

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Companies Act, 2013 and Rules made thereunder and Sebi (Listing Obligations And Disclosure Requirements) Regulations, 2015.

#### **Terms of reference:**

1. 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. 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. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

### **D. Stakeholders' Relationship Committee (“SRC”):**

The Board of Directors of the Company in its meeting held on 9th August, 2014 changed the nomenclature of “Shareholders’/Investors’ Grievances Committee” to “Stakeholders’ Relationship Committee”.

The constitution and terms of reference of Stakeholders’ Relationship Committee of the Company are in compliance with provisions of Companies Act, 2013 Rules made thereunder and Clause 49 of the Listing Agreement.

#### **Terms of Reference:**

1. Oversee and review all matters connected with the transfer of the Company’s securities.
2. Monitor redressal of investors’ / shareholders’ / security holders’ grievances.
3. Oversee the performance of the Company’s Registrar and Transfer Agents.
4. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

### **E. Corporate Social Responsibility (CSR) Committee:**

Considering the requirements of the Companies Act, 2013, Rules and Schedule made thereunder, the Board of Directors of the Company in its meeting held on 27th May, 2014 constituted the Corporate Social Responsibility Committee.

CSR Committee at its meeting held on 9<sup>th</sup> August, 2014 formulated a CSR Policy to spend by the Company in every Financial Year average 2 % of the net profit of the Company for preceding three Financial Years in various activities covered in Schedule VII of the Companies Act, 2013. The said CSR Policy has been duly approved by the Board of Directors at its meeting held on 9th August, 2014.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of "Corporate Social Responsibility Policy", observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

**Terms of reference of the Committee, inter alia, includes the following:**

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
- 2.To recommend the amount of expenditure to be incurred on the CSR activities.
- 3.To monitor the implementation of framework of CSR Policy.
- 4.To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

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