

POOJA ENTERTAINMENT AND FILMS LIMITED
CIN : L99999MH1986PLC040559

AUDIT COMMITTEE CHARTER AND POLICY

POOJA ENTERTAINMENT AND FILMS LIMITED

AUDIT COMMITTEE

This policy is in supersession of previous policy and consistence with provisions of the Companies Act, 2013 and Listing Agreement of Stock Exchange as amended.

Pooja Entertainment And Films Limited has a separately designated standing Audit Committee established in accordance with Section 177 of the Companies Act, 2013 & rules made there under and Listing Agreement of Stock Exchange as amended. The Audit Committee assists the Board in fulfilling its responsibilities for generally overseeing financial reporting processes and the audit of financial statements, including the integrity of financial statements, compliance with legal and regulatory requirements, the qualifications, the performance of internal audit function, and risk assessment and risk management.

I. WORKING PROCEDURE OF AUDIT COMMITTEE

a) Constitution of the Committee:

- The Audit Committee shall consist of at least three directors as members.
- Two-thirds of the members of audit committee shall be independent directors.
- All the members of Audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

Explanation (1).- For the purpose of this regulation, “financially literate” shall mean the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

Explanation (2).- For the purpose of this regulation , a member shall be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting, or requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

2. Quorum:

- Two members or one third of the members of the Audit Committee, whichever is greater, with at least two independent directors present either personally or through electronic mode.

- Electronic mode shall be counted for quorum except on such restricted items as prescribed under Companies Act, 2013.
- Quorum shall be present throughout the meeting
- Where a member is interested in a particular item, he/she shall not be present (physically or through Electronic Mode), during discussion and shall not vote on such item.

3. Chairman:

The Board may designate a Chairman of the Committee (“the chairman”). In the absence of such designation, the Committee may designate the chairman by majority vote of the committee.

4. Frequency of the meeting:

- Atleast four times in a year and not more than one hundred and twenty days shall elapse between two meetings.
- The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee:
Provided that occasionally the audit committee may meet without the presence of any executives of the Company.

5. Minutes of the Meeting:

- Draft minutes of the Audit Committee Meeting shall be duly circulated within 15 days from the conclusion of the meeting to the members of the Committee for their comments.
- The Members, whether present or not shall communicate their comments, If any, in writing within 7 days from the date of circulation of draft minutes.
- Minutes shall be entered in the Minutes Book within 30 days from the date of conclusion of the meeting.
- Minutes of the meeting shall be signed and dated by the Chairman of the Meeting or by the Chairman of the next meeting.
- Signed copy of the minutes shall be circulated to all the members within 15 days after the minutes are signed duly certified by Company Secretary or where there is no Company Secretary, by any Director authorized by Committee.

6. Company Secretary of the Committee:

The Company Secretary of the Company shall act as a Company Secretary of the Committee.

7. Attendance at the Annual General Meeting:

The chairperson of the audit committee shall be an independent director and he shall be present at Annual general meeting to answer shareholder queries.

II. RESPONSIBILITIES

It is the function of the Committee to enable the Board of Directors, with reliance on the Committee, to discharge their fiduciary responsibility to shareholders in respect to financial reporting and the safety and soundness of the company. For this purpose, the Committee shall have the following general duties and functions:

- 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) examination of the financial statement and the auditors' report thereon;
- v) 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;
- vi) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- vii) reviewing and monitoring, 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;
- viii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- ix) approval or any subsequent modification of transactions of the Company with related parties;
- x) scrutiny of inter-corporate loans and investments;
- xi) valuation of undertakings or assets of the Company, wherever it is necessary;
- xii) evaluation of internal financial controls and risk management systems;
- xiii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiv) 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;
- xv) discussion with internal auditors of any significant findings and follow up there on;
- xvi) 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;
- xvii) 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;
- xviii) 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;
- xix) to review the functioning of the whistle blower mechanism;

- xx) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xxi) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- xxii) The audit committee shall mandatorily review the following information:
 - a. management discussion and analysis of financial condition and results of operations;
 - b. statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. internal audit reports relating to internal control weaknesses; and
 - e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.