

AMTEK AUTO LIMITED

COMMITTEES OF THE BOARD

In compliance to the amended Clause 49 of the Listing Agreement, the Board of Directors has constituted the following committees of the Board. The Board determines the terms of reference of the Board Committees from time to time. The respective Committee Chairman convenes meetings of the Board Committees. Minutes of the Committee meetings are placed before the Board for perusal and noting. The quorum for meetings of all the Committees is either two members or one-third of the members of the Committees, whichever is higher. Each committee has the authority to engage outside experts, advisers and counsel to the extent it considers appropriate to assist it in its work.

I. AUDIT COMMITTEE

The role of the Audit Committee has been strengthened and all major changes in financial policies are reviewed or approved by this Committee.

(A) QUALIFIED AND INDEPENDENT AUDIT COMMITTEE

The Audit Committee comprises of three directors. All the members of the Committee viz. **Mr. B. Lugani (Chairman), Mr. Rajeev Kumar Thakur and Mr. Sanjay Chhabra** are independent and non executives. The Company Secretary acts as the Secretary of the Audit Committee.

The constitution of the Audit Committee meets the requirement of Section 139 of the Companies Act, 2013 and the Listing Agreement. The power and role of the Audit Committee is as per the guidelines set out in the Listing Agreement and as prescribed under Section 177 of the Companies Act, 2013.

(B) POWERS OF AUDIT COMMITTEE

The Audit Committee shall have powers, which should include the following:

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

(C) ROLE OF AUDIT COMMITTEE

The role of Audit Committee shall include the following (including the terms of reference):

- 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;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- 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 utilised 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;

- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval and any subsequent modification or transaction of Company with Related Parties.
- Scrutiny of Inter Corporate Loan & investment.
- Valuation of Undertaking or Assets of the Company , wherever its necessary

(D) REVIEW OF INFORMATION BY AUDIT COMMITTEE

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

II. HUMAN RESOURCE, NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (HRNR Committee) of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 178 of the Act, comprising three non executive and independent directors viz. **Mr. Sanjay Chhabra (Chairman), Mr. Rajeev Kumar Thakur and Mr. B. Lugani.**

TERMS OF REFERENCE

- 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;
- 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. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- v. Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors;
- vi. Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.

REMUNERATION POLICY:-

The Company's remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice. The remuneration of the Vice Chairman cum Managing Director, Managing Director, Key Managerial Personnel and Senior Management Personnel's of the Company is reviewed and recommended by Committee, based on criteria such as industry benchmarks, the Company's performance visa-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organizations. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members.

A sitting fee of Rs. 20,000/- for attendance at each meeting of the Board meeting was paid to all the Independent & Nominee Directors for the meeting held on 24th November, 2014 and afterwards, the sitting fee was increased to Rs.50,000/-.

The sitting fees paid/payable to the non Whole-time directors is excluded whilst calculating the limits of remuneration in accordance with Section 197 of the Act. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside.

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by them, their individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

The Company does not have any Employee Stock Option Scheme.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of three directors under the Chairmanship of **Mr. Rajeev Kumar Thakur**. The other members in the committee being, **Mr. Sanjay Chhabra and Mr. Bahushrut Lugani**. The Board has constituted Stakeholders Relationship Committee in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of Shareholders' / Investors' Grievance (SIG) Committee was conferred on the Stakeholders Relationship Committee.

The Company has also adopted code of internal procedures and conduct for prevention of insider trading in the shares of the Company, pursuant to Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. The Board has designated Company Secretary as the Compliance Officer for this purpose and has authorized this committee to monitor the compliances as required under the aforesaid Regulation.

Terms of Reference of the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities

- Monitor redressal of investors' / shareholders' / security holders' grievances
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading
- 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.

IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company proactively reviews its governance practices and standards inter alia considering best practices and regulatory developments. During the year under review, the following significant developments took place on the governance front:-

Constitution of 'Corporate Social Responsibility Committee': Considering the work being done by the Company on social front, the Company's Board has constituted a 'Corporate Social Responsibility Committee' (CSR Committee). CSR Committee is primarily responsible for formulating and monitoring the implementation of the framework of corporate social responsibility policy, other policies under Business Responsibility Policy Manual and to look into sustainability matters and matters related to overall governance.

The members of Corporate Social Responsibility Committee are **Mr. Rajiv Kumar Thakur, the Chairman, Mr. D.S Malik and Mr. Gautam Malhotra.**

Terms of Reference of the Committee, inter alia, includes the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the implementation of the framework of the CSR Policy;
- To oversee the implementation of policies.

V. FINANCE COMMITTEE

The Board of Directors has constituted Finance Committee comprising of **Mr. Arvind Dham (Chairman) , Mr. John Ernest Flintham, Mr. D.S Malik and Mr. Gautam Malhotra and Mr. B. Lugani.** During the period, the committee met four times.

Terms of Reference of the Committee, inter alia, includes the following:

- Review the Company's financial policies, risk assessment and minimization procedures, strategies and capital structure, working capital and cash flow management, and make such reports and recommendations to the Board with respect thereto, as it may deem advisable ;
- Review banking arrangements and cash management;
- Exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board, and take necessary actions connected therewith, including refinancing for optimization of borrowing costs ;
- Give guarantees/issue letters of comfort/providing securities within the limits approved by the

Board ;

- Borrow money by way of loan and/or issue and allot bonds/notes denominated in one or more foreign currencies in international markets for the purpose of refinancing the existing debt, capital expenditure, general corporate purposes, including working capital requirements and possible strategic investments within limits approved by the Board ;
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable ;
- Other transactions or financial issues that the Board may desire to have them reviewed by the Finance Committee ;
- Delegate authorities from time to time to the executives/ authorised persons to implement the Committee's decisions ;
- Review regularly and make recommendations about changes to the charter of the Committee .

VI. SEXUAL HARASSMENT COMMITTEE

As per the requirement of Prevention of Sexual Harassment Act, 2013, Company has duly constituted Sexual Harassment Committee, comprising of the following members:-

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| 1. Ms. Anuradha Kapur | - The Presiding Officer |
| 2. Mr. Vinod Kr. Uppal | - Finance Department |
| 3. Mr. Rajesh Soni | - HR Department |
| 4. Ms. Sonal Choudhary | - HR Department |

Company is totally committed in providing an environment that is free from discrimination and harassment. We recognize the rights of our employees and provide forums, support groups and policies to hear and address their issues, concerns and resolve them in a fair and transparent manner. Our Sexual Harassment Committee members helps employees express their grievances and address them in a fair and objective manner. The cases are patiently heard and resolved by a unbiased group. We have a whistle blower policy as well that assures complete anonymity and confidentiality of information to the reporting individual.

VII. RISK MANAGEMENT COMMITTEE

The Board of Directors has constituted Risk Management Committee comprising of following directors:-

- 1. Mr. Arvind Dham**
- 2. Mr. Gautam Malhotra**
- 3. Mr. John Ernest Flintham**
- 4. Mr. Rajeev Kumar Thakur**

The purpose of the Committee is to assist the board in fulfilling its Corporate Governance duties by overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks. The Committee has the overall responsibility of monitoring and approving the risk policies and associated practices of the Company. The Risk Management Committee is also responsible for reviewing and approving the risk disclosure statements in any public documents or disclosure.