

TERMS OF REFERENCE OF STATUTORY COMMITTEES OF BOARD OF DIRECTORS
OF ROYAL ORCHID HOTELS LIMITED

Terms of reference of Audit Committee:

- a) Overseeing 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.
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
 - Modified opinion(s) in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- f) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- h) Approval or any subsequent modification of transactions of the Company with related parties.
- i) Scrutiny of inter-corporate loans and investments.
- j) Valuation of undertakings or assets of the Company, wherever it is necessary.
- k) Evaluation of internal financial controls and risk management systems.

- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) 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.
- n) Discussion with internal auditors any significant findings and follow up thereon.
- o) 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.
- p) 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.
- q) 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.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- u) Management discussion and analysis of financial condition and results of operations.
- v) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- w) Management letters/ letters of internal control weaknesses issued by the statutory auditors.
- x) Internal audit reports relating to internal control weaknesses.
- y) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- z) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.
- aa) Annual Statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of Listing Regulations and
- bb) The Audit Committee of the listed holding Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

Terms of reference of Nomination and Remuneration Committee:

- a) To identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal,
- b) To carry out evaluation of every director's performance,
- c) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees,
- d) To recommend/review remuneration of the whole time director(s), based on their performance and defined assessment criteria,
- e) To 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, and
- f) To perform such other functions as may be necessary or appropriate for the performance of its duties;

Terms of Reference of Stakeholders' Relationship Committee:

- a) Ensure proper controls at Registrar and Share Transfer Agent,
- b) Look into the redressing of the shareholders complaints and queries,
- c) Review movement in shareholdings and ownership structure,
- d) To approve issue of duplicate certificates and oversees and reviews all matters connected with transfer and transmission of securities of the Company,
- e) The Committee shall review and note the following Statutory Reports submitted to Stock Exchange(s):
 - Quarterly Report on Corporate Governance,
 - Quarterly Report on Reconciliation of Share Capital Audit, and
 - Half Yearly Certificates;
- f) The Committee shall look into redressal of shareholders'/ investors' complaints related to transfer and transmission of shares, non receipt of Balance Sheet, non-receipt of declared dividend, etc., and
- g) The Committee shall oversee performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services;