

## **DETAILS OF COMMITTEE**

**The details of Committees of Arvee Laboratories (India) Limited as per the requirements of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are as under:**

### **Audit Committee:**

The Audit Committee of our Board consists of three members. The members of the Audit Committee are:

<b>Sr. No.</b>	<b>Name</b>	<b>Committee Designation</b>
1	Vishal Nitin Mehta	Chairman of the Audit Committee
2	Dipen Ashit Dalal	Member of the Audit Committee
3	Shalin Sudhakarbhair Patel	Member of the Audit Committee

The Audit Committee was originally constituted as pursuant to a resolution passed by our Board at its meeting held on December 04, 2017 and last re-constituted pursuant to a resolution passed by our Board at its meeting held on June 27, 2020. The scope and functions of the Audit Committee are in accordance with section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

The terms of reference of the Audit Committee to include the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. 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;
  - (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; and
  - (g) Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  7. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
  8. Approval or any subsequent modifications of transactions of the Company with related parties;
  9. Scrutinising of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluating of internal financial controls and risk management systems;
  12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievance
  13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
  14. 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;
  15. Discussing with internal auditors on any significant findings and follow up there on;
  16. 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;
  17. Discussing 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;
  18. Looking 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;

19. Reviewing the functioning of the whistle blower mechanism;
20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the SEBI Listing Regulations or by any other regulatory authority; and
22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision i.e. April 1, 2019, and henceforth.

Further, the Audit Committee shall mandatorily review the following information:

- (a) Management's 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 the management;
- (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (d) Internal audit reports relating to internal control weaknesses;
- (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- (f) Statement of deviations:
  - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations; and
  - (ii) annual statement of funds utilised for purposes other than those stated in the Document/prospectus/notice in terms of the SEBI Listing Regulations.

The quorum of the Audit Committee shall be either two members or one third of the members of the Audit Committee whichever is greater, provided there shall be a minimum of two independent directors.

## **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board consists of three members. The members of the Nomination and Remuneration Committee are:

<b>Sr. No.</b>	<b>Name</b>	<b>Committee Designation</b>
1	Vishal Nitin Mehta	Chairman of the Audit Committee
2	Dipen Ashit Dalal	Member of the Audit Committee
3	Parag Manubhai Shah	Member of the Audit Committee

The Nomination and Remuneration Committee was constituted pursuant to a Board meeting of our held on December 04, 2017 and last re-constituted pursuant to a resolution passed by our Board at its meeting held on June 27, 2020. The scope and functions of the Nomination and Remuneration Committee are in accordance with section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee was amended in supersession to the previous terms of reference pursuant to a resolution passed by our Board at its meeting held on October 14, 2019 to include the following:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulating of criteria for evaluation of the performance of the Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every Director's performance;
5. Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Determining the company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;
8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

10. Performing such functions as are required to be performed by the compensation committee under the SEBI Regulations;

11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

or

(ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the SEBI Listing Regulations or by any other regulatory authority; and

13. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The quorum shall be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, provided that there shall be minimum of one Independent Director.

#### **Stakeholders Relationship Committee:**

The Stakeholders' Relationship Committee of the Board consists of three members. The members of the Stakeholders' Relationship Committee are:

<b>Sr. No.</b>	<b>Name</b>	<b>Committee Designation</b>
1	Vishal Nitin Mehta	Chairman of the Committee
2	Shalin Sudhakarbhai Patel	Member of the Committee
3	Parag Manubhai Shah	Member of the Committee

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on December 04, 2017 and last re-constituted pursuant to a resolution passed by our Board at its meeting held on June 27, 2020. The scope and functions of the Stakeholders' Relationship Committee are in accordance with section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee include:

1. Consider and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

2. Review of measures taken for effective exercise of voting rights by the Shareholder. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

3. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
4. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
5. To approve, register, refuse to register transfer or transmission of shares and other securities;
6. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
7. Allotment and listing of shares;
8. To authorise affixation of common seal of the Company;
9. To issue duplicate share or other security (ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
10. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
11. To dematerialize or rematerialize the issued shares;
12. Ensure proper and timely attendance and redressal of investor queries and grievances;
13. Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
14. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

The quorum for any meeting of the Stakeholders' Relationship Committee shall be two members.