

INDITALIA REFCON LIMITED

Regd Off : 7 and 8 B, IInd Floor, West View No.1. S.V Road, Santacruz (West), Mumbai 400 054

CONSTITUTION OF VARIOUS COMMITTEES AS PER SECTION 177 & 178 OF COMPANIES ACT, 2013 AND REGULATIONS 18, 19, 20 AND 21 OF LISTING OBLIGATIONS DISCLOSURE REQUIREMENTS, 2015 WITH THE BSE

1. Audit Committee

As per Regulation 18 of Listing Obligations Disclosure Requirements, 2015 and Section 177 of the Companies Act, 2013, read with the applicable Rules under the Companies Act, 2013, the Board of Directors shall constitute an Audit Committee of the Board giving the terms of reference subject to the following:

1. The audit committee shall have minimum three directors as members. Two-thirds of the members of audit committee shall be independent directors.

2. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

Explanation (i): The term “financially literate” means the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

Explanation (ii): A member will 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.

3. The Chairman of the Audit Committee shall be an independent director;

4. The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries;

5. The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the company. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee;

6. The Company Secretary shall act as the secretary to the committee.

Meeting of Audit Committee

The Audit Committee should meet at least four times in a year and not more than four months shall lapse between two meetings. The quorum shall be either two members or one

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third of the members of the audit committee whichever is greater, but there should be a minimum of two independent members present.

Powers of Audit Committee

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

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

Role of Audit Committee

The role of the Audit Committee shall include the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. 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. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;

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9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
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;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

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

Accordingly it is recommended to constitute the Audit Committee comprising the following Directors, based on above mentioned provisions:

1. Mr. Dattatreya Shankar Amonker Independent Director DIN No 07132214
2. Mr. Abhay Ganpat Dadarkar Independent Director DIN No 06957764
3. Mr. Rajinder Mital Director DIN No 02233220

2. Nomination and Remuneration Committee

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As per Section 178 of the Companies Act, 2013, read with the applicable Rules under the Companies Act, 2013 and Regulation 19 of Listing Obligations Disclosure Requirements, 2015, The Company through its Board of Directors shall constitute the nomination and remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent.

The Chairman of the committee shall be an independent director. Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

The role of the committee shall, inter-alia, include the following:

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.

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

Accordingly it is recommended to constitute the Nomination and Remuneration Committee comprising the following Directors, based on above mentioned provisions:

Mr. Dattatreya Shankar Amonker	Independent Director	DIN No 07132214
Mr. Abhay Ganpat Dadarkar	Independent Director	DIN No 06957764
Mr. Mr. Rajinder Mital	Director	DIN No 02233220

3. RISK MANAGEMENT COMMITTEE:

As per Regulation 21 of Listing Obligations Disclosure Requirements, 2015, The Company through its Board of Directors shall constitute a Risk Management Committee.

The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

The majority of Committee shall consist of members of the Board of Directors.

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Senior executives of the company may be members of the said Committee but the Chairman of the Committee shall be a member of the Board of Directors

Accordingly it is recommended to constitute the Risk Management Committee comprising the following Directors:

Mr. Dattatreya Shankar Amonker	Independent Director	DIN No 07132214
Mr. Abhay Ganpat Dadarkar	Independent Director	DIN No 06957764
Mr. Mr. Rajinder Mital	Director	DIN No 02233220

Further the Risk Management Committee of the Company shall observe the following terms of reference:

- lay down the procedures to inform Board members about the risk assessment and minimization procedures.
- Shall be responsible for framing, implementing and monitoring the risk management plan for the company.
- To review the risk management plan and such other functions as it may deem fit.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

As per Section 178 (5) and (6) of the Companies Act, 2013, read with the applicable Rules under the Companies Act, 2013 and Regulation 20 of Listing Obligations Disclosure Requirements, 2015, the Board of Directors of a Company which consists of more than one thousand shareholders, debenture holders, deposit-holders, and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee which shall consider and resolve the grievances of security holders of the Company.

In view of the above, it is recommended to constitute the Stakeholders Relationship Committee comprising the following Directors:

1. Mr. Dattatreya Shankar Amonker Independent Director DIN No 07132214
2. Mr. Abhay Ganpat Dadarkar Independent Director DIN No 06957764
3. Mr. Rajinder Mital Director DIN No 02233220

