


KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

Corporate Identity Number (CIN): U40109KA1999SGC025521

Registered office: Corporate Office, Kaveri Bhavan, K.G.Road, Bengaluru- 560009

Subject : Approving revised Terms of Reference to Audit Committee.

Ref: Resolutions passed by the Board of Directors KPTCL at its 140th Meeting held on 19th July 2023 vide Subject. No.140/16.

Preamble:

Board of Directors of KPTCL at its 140th Meeting held on 19th July 2023 approved the revised terms of reference to Audit Committee in pursuance of Sections 177 of the Companies Act, 2013, Rules made thereunder, read with Corporate Governance Guidelines issued by Ministry of Power, GoI, including any statutory re-enactments or amendments, for the time being in force, in partial modification of earlier resolutions passed by the Board.

Hence, this Order:

ORDER No. KPTCL/B37/4424/2001-02,
BENGALURU, DATED : 11 SEP 2023

In accordance with the preamble above, the following revised terms of reference were prescribed to the Audit Committee:

Sl. No.	Revised Terms of Reference to Audit Committee
1.	To consider issues related to the appointment of the external auditor, the audit fee, and any matter relating to resignation or dismissal;
2.	To review and monitor the auditor's independence and performance, and effectiveness of audit process.
3.	To discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
4.	To review the interim (quarterly or half yearly, as the case may be) and annual financial statements and auditors report before submission to the Board, focusing particularly on: <ul style="list-style-type: none"> i. any change in accounting policies and practices; ii. major judgmental areas e.g., matters relating to accounting estimates; iii. significant adjustments resulting from the audit; iv. compliance with accounting standards; v. compliance with legal requirements; vi. disclosure of related party transactions
5.	To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary);
6.	To review the external auditor's management letter and management's response;
7.	To evaluate the Company's internal financial control and risk management systems;
8.	To review the internal audit program, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;

By
 Company Secretary
 KPTCL

9.	<i>To consider the major findings of internal investigations and management's response;</i>
10.	<i>To look into reasons for substantial payment defaults of creditors, lenders, etc.</i>
11.	<i>To review the utilization of loans / advances taken by Company.</i>
12.	<i>To review the functioning of the whistleblower mechanism.</i>
13.	<i>To review management discussions and analysis of financial condition and results of operations, if any;</i>
14.	<i>To review statement of significant related party transactions (as defined by the Audit Committee), submitted by management and approval or any subsequent modification of transactions of the company with related parties; Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as contained in the Companies Act, 2013, as amended.</i>
15.	<i>To review management letters / letters of internal control weaknesses issued by the statutory auditors;</i>
16.	<i>Valuation of undertakings or Assets of the Company wherever necessary</i>
17.	<i>Scrutiny of inter corporate loans and investments</i>
18.	<i>To consider other topics, as defined by the Board.</i>
19.	<i>Monitoring the end use of funds raised through public offers and related matters.</i>

**** The powers so conferred above shall remain intact unless and until modified or altered or amended further by way of a resolution passed by the Board of Directors of the Company;***

**** The other terms and conditions governing the Committee prescribed and approved by the Board including but not limited to composition of the Committees, convening of meetings by Committees, quorum for the meetings etc., and any other specific directions by the Board issued at the time of constitution or change in composition of the aforesaid Committees, remain unaltered;***

By Order,

Ramya .K
11/19
Company Secretary,
KPTCL
Company Secretary
KPTCL

To:

1. SPS/P.Ss to the Additional Chief Secretary to Government, Energy Department, GoK/Secretary (Budget and Resources) to Govt., Finance Department, GoK/Managing Director, KPTCL/Director (Finance)/Director (Transmission) /Managing Director, BESCO to bring it to the kind reference of the respective Directors.
2. SA-2 Records.