



QUEST CORP LIMITED

**CHARTER
OF
AUDIT COMMITTEE**

Contents

Sl. No.	Particulars	Page No.
1	Objective of the Committee	3
2	Composition of the Committee	3
3	Meetings and Quorum	3
4	Terms of reference	3
5	Review of Charter	6
6	Version History	6

1. Objective of the Committee:

The Audit Committee ("Committee") of the Board of Directors ("Board") of Ques Corp Limited ("Company") function as per the provisions of Section 177 of the Companies Act, 2013 ("the Act") and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Committee provides direction to the audit function and monitors the quality of internal and statutory audit with an objective of moving towards a regime of unqualified financial statements.

The responsibilities of the Committee include review of the quarterly, half-yearly and annual financial results and financial statements before submission to the Board, overseeing the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial results/statements, etc. The Committee also reviews the adequacy and effectiveness of internal audit function and control systems and such other items as may be prescribed by applicable laws or by the Board from time to time.

2. Composition of the Committee:

The Committee shall have minimum 3 (three) members and at least 2/3 (two-thirds) of the members of the Committee shall be Independent Directors. All members of the Committee shall be financially literate, and at least 1 (one) member shall have accounting or related financial management expertise.

The Chairperson of the Committee shall be an Independent Director and shall be present at the Annual General Meeting to answer shareholder queries.

The Company Secretary of the Company acts as Secretary to the Committee.

3. Meetings and Quorum:

The Audit Committee shall meet at least 4 (four) times in a financial year and not more than 120 (one hundred and twenty) days shall elapse between 2 (two) consecutive meetings.

The quorum for the meetings of the Committee shall be either 2 (two) members or 1/3 (one third) of the members of the Committee, whichever is higher, with at least 2 (two) Independent Directors.

4. Terms of reference:

The Committee shall act and have powers in accordance with the terms of reference, as approved by the Board from time to time and such other items as may be prescribed by applicable laws, which shall include the following:

- a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, remuneration and terms of appointment of

- the auditor of the Company;
- c) Reviewing and monitoring the auditor's independence and performance and effectiveness of the audit process;
 - d) Approval of payments to statutory auditors for any other services rendered by statutory auditors;
 - e) 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 Section 134(3)(c) 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; and
 - Modified Opinion(s) in the draft audit report
 - f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
 - g) Scrutiny of inter-corporate loans and investments;
 - h) Valuation of undertakings or assets of the Company, wherever it is necessary;
 - i) Evaluation of internal financial controls and risk management systems;
 - j) Approval or any subsequent modification of transactions of our Company with related parties;
 - k) 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 issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
 - l) To review and functioning of Vigil Mechanism/Whistle Blower mechanism:

- Ensuring the establishment of vigil mechanism for its Directors and employees to report genuine concerns;
 - Providing for adequate safeguards against mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
 - Ensuring that the existence of vigil mechanism is appropriately communicated within the Company and also made available on Company's website;
 - Overseeing the functioning of vigil mechanism and the Whistle Blower mechanism and decide on the matters reported thereunder; and
 - Ensuring that the interests of a person who uses such a mechanism are not prejudicially.
- m) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- n) Reviewing the adequacy of the 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;
- o) Discussion with Internal Auditors on any significant findings and follow up thereon;
- p) 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;
- q) 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;
- r) 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;
- s) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee;
- u) Reviewing the utilisation of loans and/ or advances from / investment by the holding company in the subsidiary exceeding ₹ 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;
- v) Review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;

- w) Consider and comment on the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. on the listed entity and its shareholders;
- x) To mandatorily review the following:
 - a. The internal audit reports relating to internal control weaknesses;
 - b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - c. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
 - d. The statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- y) To investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- z) The Committee shall invite the finance director or head, head of internal auditor, and representative of the Statutory auditor, and any other person may be invited, as deemed fit, by the Committee.

5. Review of the Charter:

The adequacy of this charter shall be reviewed and re-assessed by the Committee, as and when required and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought about to the regulatory framework or policy changes, from time to time.

In case of any ambiguity or need for any clarification, the Company should refer applicable Secretarial Standards, provisions of Companies Act, 2013, SEBI Listing Regulations, Articles of Association of the Company and any other applicable laws. Further, in case there prevails any inconsistency between the provisions of this Charter and the law, the law shall prevail.

6. Version History:

The Charter was last reviewed and approved by the Audit Committee and the Board of Directors at their respective meetings held on May 19, 2025.
