



TERMS OF REFERENCE (“ToR”) OF THE AUDIT COMMITTEE

(approved by the Board on October 13, 2021)

The ToR of the Audit Committee shall include the following:

- a) Oversight of financial reporting process and disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- b) Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Examining and reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the directors’ 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;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Modified opinion(s) in the draft audit report.
- e) Reviewing, with the management, the quarterly, half-yearly and annual 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 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;
- g) Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
- h) Approval of any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
- 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, and adequacy of the internal control systems;

Delhivery Limited

Corporate Office: Plot 5, Sector 44, Gurugram - 122 002, Haryana, India

Registered Office: N24-N34, S24-S34, Air Cargo Logistics Centre-II,

Opposite Gate 6 Cargo Terminal, IGI Airport, New Delhi – 110037

(Formerly known as Delhivery Private Limited)

CIN: U63090DL2011PLC221234

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- 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 on any significant findings and follow-up there on;
- 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) 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;
- r) Reviewing the functioning of the whistleblower mechanism;
- s) Monitoring the end use of funds raised through public offers and related matters;
- t) Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- u) Approval of appointment of the chief financial officer (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;
- v) Reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹1,000 million 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;
- w) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- x) Reviewing the compliances of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
- y) Carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/ or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

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