



HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED
(A State Govt. undertaking)

Registered office

Vidyut Bhawan, HPSEBL, Shimla-171004(H.P)

C I N

U40109HP2009SGC031255

GST No.

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NOTIFICATION

In pursuance with the provisions of Regulation 18 of the SEBI(LODR)Regulation 2015 and Section 177 of the Companies Act, 2013, the Board of Directors approved the re-constitution of Audit Committee of HPSEBL & BVPCL as follows:-

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| 1. Shri K. R. Bharti, Director (Independent) | - Chairman |
| 2. Smt. Priyanta Sharma, Director(Independent) | - Member |
| 3. Director (Finance), HPSEBL | - Member |
| 4. Company Secretary | - Secretary |

The functions of audit committee shall include the following:-

1. oversight of the listed entity'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 statutory auditors, Secretarial Auditor and Cost Auditors
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) modified opinion(s) in the draft audit report;

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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. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, 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 Chief Financial Officer, Chief Auditor 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.

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21. reviewing the utilization of loans and/ or advances from/investment by the HPSEBL in the subsidiary Company i.e. BVPCL
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc.

B. 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, 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.
6. statement of deviations:
 - i. in quarterly statement of deviation(s) in Regulation 52 of SEBI LODR and other applicable regulations submitted to stock exchange(s) in terms of Regulation 32(1).

(C) OTHER ROLES / FUNCTIONS OF AUDIT COMMITTEE

1. Chairman of Audit committee shall be present at Annual general meeting to answer shareholder queries
2. The audit committee at its discretion shall invite the Chief Finance Officer, head of internal audit and a representatives of the statutory auditors and any other such executives to be present at the meetings of the committee:


Director(Pers.)
HPSEBL, Shimla-04.

No. HPSEBL(Sectt.)SEBI/LODR/CS/2021- 47148 Dated: 14-10-21
Copy forwarded for information and necessary action:-

1. The Chairman, HPSEB Ltd., Shimla-4.
2. The Managing Director/Director (F&A/Pers.)(Civil)(Tech.)(Operation), HPSEB Ltd., Shimla-4.
3. Sh. K.R.Bharti, IAS (Rtd.), Village Sharawag Near Kelti PO. Bharari Tehsil Shimla(Rural) Distt. Shimla(HP).
4. Smt. Priyanta Sharma W/O Sh. Navneet Sharma, Tehsil Sadar Rewalsar 127, Mandi (HP).

5. The Executive Director (Pers.), HPSEB Ltd., Shimla-4.
6. All the Chief Engineers, HPSEB Ltd.
7. The Chief Accounts Officer/Chief Auditor, HPSEB Ltd., Shimla-04.
8. The Resident Audit Officer, HPSEB Ltd, Shimla-4.
- ✓ 9. The Superintending Engineer (IT), HPSEB Ltd., Shimla-4 for uploading the same in the website of HPSEB Ltd.


Director(Pers.)
HPSEBL, Shimla-04.