

DIGILOGIC SYSTEMS LIMITED

(Formerly known as Digilogic Systems Private Limited)

AUDIT COMMITTEE

The Audit committee was constituted by a resolution of our Board dated July 28, 2025. The current constitution of the Audit Committee is as follows:

Name of the Director	Designation	Position in the Committee
Mr. Balasubramanyam Danturti	Non-Executive Independent Director	Chairman
Mr. Sesha Rama Srinivasa Sastry Pullela	Non-Executive Independent Director	Member
Mr. Madadi Ugender Reddy	Non-Executive Independent Director	Member

The Company Secretary and Compliance Officer of the Company will act as the Secretary of the Committee.

- i. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. examination of the financial statement and the auditors' report thereon;
- iv. approval or any subsequent modification of transactions of the company with related party
- v. scrutiny of inter-corporate loans and investments;
- vi. valuation of undertakings or assets of the company, wherever it is necessary;
- vii. evaluation of internal financial controls and risk management systems;
- viii. monitoring the end use of funds raised through public offers and related matters.
- ix. Such other role as specified by the Board of Directors from time to time;
- x. To investigate any activity within its terms of reference;
- xi. To seek information from any employee;
- xii. To obtain outside legal or other professional advice; and
- xiii. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- xiv. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- xv. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

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- xvi. Reviewing, with the management, the annual financial statements 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.
- xvii. Reviewing, with the management, the quarterly/half yearly financial statements before submission to the Board for approval.
- xviii. 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.
- xix. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- xx. 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.
- xxi. Discussion with internal auditors any significant findings and follow up there on.
- xxii. 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.
- xxiii. 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.
- xxiv. 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.

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- xxv. To review the functioning of the Whistle Blower mechanism.
- xxvi. Approval of appointment of Chief Financial Officer (or the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- xxvii. Evaluation of internal financial controls and risk management systems.
- xxviii. Review of management discussion and analysis report, management letters issued by the statutory auditors, etc.
- xxix. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xxx. Committee shall mandatorily review the following information:
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iii. Internal audit reports relating to internal control weaknesses; and
 - iv. The appointment, removal and terms of remuneration of the chief internal auditor, peer review auditor, if any.
 - v. Statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - b. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
- xxxi. Such other role and responsibilities as stipulated under the Companies Act, 2013 and with Part-C Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, to the extent applicable.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The chairman of the Audit Committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

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Tenure

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

Sd/-

Madhusudhan Varma Jetty
Managing Director