



**THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED**

**AUDIT COMMITTEE CHARTER**

<b>Effective from</b>	<b>1<sup>st</sup> October, 2014</b>
<b>Amended on</b>	<b>25<sup>th</sup> May, 2015 14<sup>th</sup> May, 2018 2<sup>nd</sup> May, 2019 20<sup>th</sup> July, 2020 9<sup>th</sup> August, 2021 10<sup>th</sup> February, 2022</b>

## AUDIT COMMITTEE CHARTER

### 1. Primary Objectives

The Audit Committee's role shall flow directly from the Board of Director's overview function on corporate governance; which holds the Management accountable to the Board and the Board accountable to the stakeholders. Acting as a catalyst, in helping the organization achieve its objectives, the Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems and risk management process, monitoring process for compliance with laws and regulations and the code of conduct.

### 2. Composition

- 2.1 The Audit Committee shall have minimum three directors as members, with at least two-thirds of them being independent.
- 2.2 All members of Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- 2.3 The Board shall appoint an Independent Director as the Chairman of the Committee. The Company Secretary shall act as the Secretary to the Committee.

### 3. Meetings & Quorum

- 3.1 The Audit Committee shall meet periodically, but at least 4 times a year.

The Audit Committee preferably should have separate meetings for:

- (i) review of quarterly Financial Statements for recommendations to the board for approval, and;
- (ii) to consider Internal Audit reports and other matters,

in accordance with specific agenda for the respective meetings which are set out in the Terms of Reference of the Audit Committee meetings as **Annexure – A** of the Audit Committee Charter.

- 3.2 Not more than one hundred and twenty days shall elapse between two successive meetings.

- 3.3 The quorum shall be either two members or one-third of the members of the Audit Committee; whichever is greater and a minimum of two independent Directors present. A duly convened meeting of the Committee at which the requisite quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. If the matter is urgent, the Committee may pass a resolution by circulation, if permitted under the applicable act, rules, regulations, guidelines.
- 3.4 The Managing Director, Executive Director, Chief Executive Officer and Chief Financial Officer, Internal Auditor and representatives of the Statutory Auditors shall be invited to attend the meetings of the Committee. The Committee may invite such other executives as it considers appropriate, to be present at the meetings. It may also meet without the presence of any company executives.
- 3.5 The Committee may meet periodically with the Management, the Internal Auditors and the external auditors, in separate executive sessions, as deemed fit by it.
- 3.6 The Committee may also meet with the representatives of the Company's subsidiaries / associate companies regarding their systems of internal control, results of audits and integrity of financial reporting.

#### **4. Annual General Meeting**

The Chairman of the Audit Committee shall be an Independent Director and he/she shall attend the Annual General Meeting to answer shareholder queries and provide any clarifications on the matter relating to audit.

#### **5. Authority**

The Audit Committee shall act and have powers in accordance with the terms of reference specified in writing by the Board, which shall include the following:

- 5.1 To investigate any activity within the scope of this Charter or referred to it by the Board and for this purpose, shall have full access to information contained in the books of accounts and the Company's facilities and personnel.
- 5.2 To seek information from any employee or Director of the Company.
- 5.3 To secure assistance and attendance of outsiders with relevant knowledge/ expertise in accounting, legal or other matters, if it considers necessary.

- 5.4 To engage independent counsel and other advisors as it deems appropriate to perform its duties and responsibilities and determine the compensation for the assignment.

## **6. Role of the Audit Committee**

The Role of the Audit Committee shall inter alia, include the following:

### **6.1 Financial Statements**

- 6.1.1 Oversight of the Company's financial reporting process and disclosure of its financial information with a view to ensure that the standalone and consolidated financial statements are correct, sufficient and credible which give a true and fair view of the state of affairs of the Company and to comply with the accounting standards notified under the Act and shall be in the prescribed form provided in Schedule III.
- 6.1.2 Review with the Management and Auditors, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
- 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, 2013.
  - Changes in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit finding.
  - Compliance with Listing and other legal requirements concerning financial statements.
  - Disclosure of any related party transaction.
  - Qualifications in draft audit report.
  - Modified opinion(s) in the draft audit report.
  - Disclosure of contingent liabilities.
- 6.1.3 Review with the Management and the Auditors, quarterly standalone and consolidated financial statements before submission to the Board for approval.
- 6.1.4 Review 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 or rights

issue, and making appropriate recommendations to the Board to take up steps in this matter.

- 6.1.5 Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- 6.1.6 Approval or any subsequent modification of transactions of the Company with related parties.
- 6.1.7 Scrutiny of inter-corporate loans and investments.
- 6.1.8 Valuation of undertakings or assets of the Company, wherever it is necessary.
- 6.1.9 Evaluation of internal financial controls and risk management systems.
- 6.1.10 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividends) and creditors.
- 6.1.11 Approval of appointment of CFO (i.e., 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.
- 6.1.12 To appoint Registered Valuer and approve the terms and conditions of appointment.
- 6.1.13 Review the utilization of loans and/or advances from/ investments by the holding company in the subsidiary exceeding Rs.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.
- 6.1.14 Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and the shareholders.

## **6.2 Information to be mandatorily reviewed by the Committee**

- 6.2.1 Management Discussion and Analysis of financial condition and result of operations
- 6.2.2 Statement of significant related party transactions (as defined by the Audit Committee). The term "related party transactions" shall have same meaning as provided in Regulation 2(zc) of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (LODR). Further, related party shall have the same meaning as defined in para 2(zb) of the LODR.

- 6.2.3 Review Management letters/ letters of internal control weaknesses issued by Statutory Auditors.
- 6.2.4 Review Internal Audit Reports relating to the internal control weaknesses and other significant internal audit findings, the Management's response thereto and follow-up thereon.
- 6.2.5 The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review of the Audit Committee.
- 6.2.6 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).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### **6.3 Statutory Audit**

- 6.3.1 Recommendation to the Board for the appointment including filling of the casual vacancy or removal of the Statutory Auditors and their remuneration and terms of appointment.
- 6.3.2 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.
- 6.3.3 Approval of other services that may be rendered by the Statutory Auditors and payment for rendering any such other services.
- 6.3.4 Reviewing, with the Management, the performance of the Statutory Auditors and internal auditors, adequacy of the internal control systems.

### **6.4 Cost Auditors**

- 6.4.1 Recommendation to the Board for the appointment of the Cost Auditors and their remuneration and terms of appointment.
- 6.4.2 Review with Cost Auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- 6.4.3 Approval of fees to Cost Auditors for any other services rendered by them.
- 6.4.4 Review Cost Auditors Report and recommend to the Board for the approval.
- 6.4.5 Reviewing, with the Management, the performance of the Cost Auditors.

## **6.5 Internal Audit**

- 6.5.1 Review the adequacy of internal audit function, including the internal audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- 6.5.2 Review the appointment, removal and terms of remuneration of the Chief Internal Auditor.
- 6.5.3 Discussions with Internal Auditors of any significant findings and follow-up thereon.
- 6.5.4 Review 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.
- 6.5.5 Reviewing, with the Management, the performance of the Internal Auditors

## **6.6 Internal Control**

- 6.6.1 Review with the management, statutory auditors and internal auditors the adequacy of internal financial control systems, adherence thereto and that they have been operating effectively.

## **6.7 Whistle Blower Policy/ Vigil Mechanism**

- 6.7.1 Review the functioning of the Whistle Blower Mechanism of the Company. Periodical Reports will be placed before the Audit Committee. The Chairman of the Audit Committee in turn shall report to the Board periodically about all Protected Disclosures referred to them together with the results of investigations.
- 6.7.2 Directors and employees to have direct access to the Chairperson of the Audit Committee to report genuine concerns and to provide for adequate safeguards against victimization.

6.7.3 If any of the Members of the Audit Committee has a conflict of interest in a given case, he should recuse himself and the others on the Committee would deal with the matter on hand.

6.7.4 In case of repeated frivolous complaints being filed by an employee, the Audit Committee may take suitable action against the concerned employee including reprimand.

## **6.8 Compliance with regulatory requirements and policies**

6.8.1 Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

6.8.2 Review the findings of any examinations by regulatory agencies, and any auditor observations.

6.8.3 Obtain regular updates from Management and the Company's legal counsel regarding compliance matters.

## **6.9 Insider Trading Regulations**

6.9.1 To note and take on record the status reports, detailing the dealings by designated persons and their Immediate Relatives in Securities of the Company along with the documents that such persons had executed in accordance with the pre-trading procedure prescribed under the Code, as submitted by the Compliance Officer on a quarterly basis.

6.9.2 To review compliance with the provisions of the Code, at least once in a financial year, on the basis of the Internal Audit Report presented and shall verify that the systems for internal control are adequate and are operating effectively.

6.9.3 To provide directions on any penal action to be initiated, in case of any violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Code by any person.

6.9.4 To supervise inquiry/investigations and take disciplinary actions as per the Policy of the Company for inquiry In Case of Leak of Unpublished Price Sensitive Information.

## **6.10 Related party:**

6.10.1 To review and approve the Company's policy vis-à-vis Related Party Transactions (RPTs) and matters related thereto.



6.10.2 To review and grant prior approval to all the RPTs and subsequent material modification. The Audit Committee to define the Material modifications which shall be disclosed it as a part of the policy on materiality of RPT and on dealing with the RPT.

Prior approval of the Audit Committee required for the following related party transactions;

- a. Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;
- b. With effect from April 1, 2023, a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

Prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 (LODR) are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in regulations 23(2)(d) of LODR, the prior approval of the audit committee of the listed subsidiary shall suffice.”

### **Omnibus Approval**

The Audit Committee may however grant omnibus approval for RPTs proposed to be entered into by the company subject to the following conditions:

- a) The Committee to lay down the criteria for granting the omnibus approval in line with the Company’s policy on RPTs and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b) The Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

c) Such omnibus approval shall specify the details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- i. Type, material terms and particulars of the proposed transaction;
- ii. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- iii. Tenure of the proposed transaction (particular tenure shall be specified);
- iv. Value of the proposed transaction;
- v. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- vi. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
- vii. details of the source of funds in connection with the proposed transaction;
- viii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure;
- ix. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
- x. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- xi. Justification as to why the RPT is in the interest of the listed entity;
- xii. A copy of the valuation or other external party report, if any such report has been relied upon;
- xiii. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- xiv. Any other information that may be relevant.

Provided that where the need for RPTs can't be foreseen and aforesaid details are not available, the Committee may grant omnibus approval for RPTs subject to their value not exceeding Rs. 1 crore per transaction.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

d) The Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.

The term related party transaction and material transactions will have the same meaning as provided in Reg. 2(zc) and 23 respectively, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A transaction with a related party will be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceed rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company whichever is lower.

6.10.3 The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

#### **6.11 Subsidiary Company oversight**

Review the financial statements and in particular, the investments made by the unlisted subsidiary companies.

#### **6.12 CEO / CFO Certification**

6.12.1 Review of the CEO/CFO disclosure reports on the deficiencies in the design or operation of internal controls pertaining to financial reporting, if any, and steps the CEO / CFO have taken or propose to take to rectify these deficiencies.

6.12.2 The Audit Committee shall take note of disclosures on:

- Significant changes in internal controls over financial reporting during the year.
- Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which they have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

#### **6.13 Filing of Annual Audit Report with Stock Exchanges**

In case of a modified opinion by the Auditors on the Annual Audited Financial Statements, the Chairman of the Audit Committee along with other signatories viz. CEO/MD, CFO and Statutory Auditors shall sign the Statement on Impact of Audit qualifications to be submitted to the Stock exchanges along with the Audited Annual financial statements, for that financial year.

**6.14** The Audit Committee to implement Secretarial Standards as applicable to the Board Committees.

**7.** The Audit Committee will -

7.1 Report and update the Board, periodically, on significant matters that it has considered within its review function.

7.2 The Annual Report of the Company shall disclose the composition of the Audit Committee, names of members, Chairperson, meetings and attendance.

7.3 The recommendations of the Audit Committee on any matter relating to financial management including the audit report, shall be binding on the Board. If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons thereof and communicate such reasons to the shareholders.

7.4 Review and inform the Board, annually, about the status of compliance of responsibilities outlined in this Charter.

## **8. Other Functions**

8.1 Perform other activities related to this Charter as requested by the Board of Directors.

8.2 Carry out additional functions as is contained in the Listing Regulations or the Companies Act, 2013 or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.

8.3 Institute and oversee special investigations as needed.

## **9. Evaluation**

9.1 Conduct an annual performance evaluation related to the Audit Committee's purpose, duties, responsibilities and effectiveness and recommend any changes it considers necessary for the approval of the Board of Directors.

9.2 The Audit Committee may conduct such evaluation and reviews in such manner as it deems appropriate.

## **10. Review of Audit Committee Charter**

The adequacy of this charter shall be reviewed and reassessed by the Audit 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.

**Annexure A**

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**Terms of Reference**

<b>The Bombay Dyeing and Manufacturing Company Limited</b>			
<b>Agenda of Audit Committee Meetings</b>			
		<b>Col 1</b>	<b>Col2</b>
<b>Para</b>		<b>Account Adoption Meeting</b>	<b>Separate Audit Committee in each Q</b>
<b>6.1</b>	<b>Financial Statements</b>		
6.1.1	Oversight of the Company's financial reporting process and disclosure of its financial information with a view to ensure that the standalone and consolidated financial statements are correct, sufficient and credible which give a true and fair view of the state of affairs of the Company and to comply with the accounting standards notified under the Act and shall be in the prescribed form provided in Schedule III.	Every Q	
6.1.2	Review with the Management and Auditors, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:	Q4	
	<ul style="list-style-type: none"> <li>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, 2013.</li> </ul>	Q4	
	<ul style="list-style-type: none"> <li>Changes in accounting policies and practices and reasons for the same.</li> </ul>	Every Q	
	<ul style="list-style-type: none"> <li>Major accounting entries involving estimates based on exercise of judgment by management.</li> </ul>	Every Q	
	<ul style="list-style-type: none"> <li>Significant adjustments made in the financial statements arising out of audit finding.</li> </ul>	Every Q	
	<ul style="list-style-type: none"> <li>Compliance with Listing and other legal requirements concerning financial statements.</li> </ul>	Every Q	

	<ul style="list-style-type: none"> <li>Disclosure of any related party transaction.</li> </ul>	Every Q	
	<ul style="list-style-type: none"> <li>Qualifications in draft audit report.</li> </ul>	Every Q	
	<ul style="list-style-type: none"> <li>Modified opinion(s) in the draft audit report.</li> </ul>		
	<ul style="list-style-type: none"> <li>Disclosure of contingent liabilities.</li> </ul>	Every Q	
6.1.3	Review with the Management and the Auditors, quarterly standalone and consolidated financial statements before submission to the Board for approval.	Every Q	
6.1.4	Review 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 or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.	Every Q	
6.1.5	Review and monitor the auditor's independence and performance, and effectiveness of audit process.	Every Q	
6.1.6	Approval or any subsequent modification of transactions of the Company with related parties.	Every Q	
6.1.7	Scrutiny of inter-corporate loans and investments.	Every Q	
6.1.8	Valuation of undertakings or assets of the Company, wherever it is necessary.	Any Q in which an impairment occurs	
6.1.9	Evaluation of internal financial controls and risk management systems.		Q2 and Q3
6.1.10	To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividends) and creditors.	In the Q in which this occurs or a statement by the CFO to the effect that there is no such default	

6.1.11	Approval of appointment of CFO (i.e., 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.	Before Appointment, when the need arises	
6.1.12	To appoint Registered Valuer and approve the terms and conditions of appointment.	Before Appointment, when the need arises	
6.1.13	Review the utilization of loans and / or advances from / investments by the holding company in the subsidiary exceeding Rs.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.		Every Q
6.1.14	Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and the shareholders.	<u>Whenever the need arises</u>	
<b>6.2</b>	<b>Information to be mandatorily reviewed by the Committee</b>		
6.2.1	Management Discussion and Analysis of financial condition and result of operations.	Q 4	
6.2.2	Statement of significant related party transaction (as defined by the Audit Committee). The term “related party transactions” shall have same meaning as provided in Regulation 2(zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). Further, related party shall have the same meaning as defined in para 2(zb) of the LODR	Every Q	
6.2.3	Review Management letters/ letters of internal control weaknesses issued by Statutory Auditors.	Every Q	

6.2.4	Review Internal Audit Reports relating to the internal control weaknesses and other significant internal audit findings, the Management's response thereto and follow-up thereon.		Every Q
6.2.5	The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review of the Audit Committee.		Q 4
6.2.6	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).	Every Q	
	(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).	Q 4	
<b>6.3</b>	<b>Statutory Audit</b>		
6.3.1	Recommendation to the Board for the appointment including filling of the casual vacancy or removal of the Statutory Auditors and their remuneration and terms of appointment.		Q4 of previous year
6.3.2	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 1
6.3.3	Approval of other services that may be rendered by the Statutory Auditors and payment for rendering any such other services.		Q 1
6.3.4	Reviewing, with the Management, the performance of the Statutory Auditors and internal auditors, adequacy of the internal control systems.		Q 4
<b>6.4</b>	<b>Cost Auditors</b>		



6.4.1	Recommendation to the Board for the appointment of the Cost Auditors and their remuneration and terms of appointment		Q1
6.4.2	Review with Cost Auditors about the nature and scope of audit and post-audit discussion to ascertain any area of concern		Q1
6.4.3	Approval of fees to Cost Auditors for any other services rendered by them		Q1
6.4.4	Review Cost Auditors Report and recommend to the Board for the approval		Q1
6.4.5	Reviewing, with the Management, the performance of the Cost Auditors		Q1
<b>6.5</b>	<b>Internal Audit</b>		
6.5.1	Review the adequacy of internal audit function, including the internal audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.		Q 1
6.5.2	Review the appointment, removal and terms of remuneration of the Chief Internal Auditor.		Q 1
6.5.3	Discussions with Internal Auditors of any significant findings and follow-up thereon.		Every Q
6.5.4	Review 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.	Whenever the need arises	
6.5.5	Reviewing, with the Management, the performance of the Internal Auditors		Q 4
<b>6.6</b>	<b>Internal Control</b>		

6.6.1	Review with the management, statutory auditors and internal auditors the adequacy of internal financial control systems, adherence thereto and that they have been operating effectively.		Every Q
<b>6.7</b>	<b>Whistle Blower Policy/ Vigil Mechanism</b>		
6.7.1	Review the functioning of the Whistle Blower Mechanism of the Company. Periodical Reports will be placed before the Audit Committee. The Chairman of the Audit Committee in turn shall report to the Board periodically about all Protected Disclosures referred to them together with the results of investigations.	Every Q	
<b>6.8</b>	<b>Compliance with regulatory requirements and policies</b>		
6.8.1	Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.		Every Q
6.8.2	Review the findings of any examinations by regulatory agencies, and any auditor observations.		Every Q
6.8.3	Obtain regular updates from Management and the Company's legal counsel regarding compliance matters.	Every Q	
<b>6.9</b>	<b><u>Insider Trading Regulations</u></b>		
6.9.1	To note and take on record the status reports, detailing the dealings by designated persons and their Immediate Relatives in Securities of the Company along with the documents that such persons had executed in accordance with the pre-trading procedure prescribed under the Code, as submitted by the Compliance Officer on a quarterly basis.	Every Q	

6.9.2	To review compliance with the provisions of the Code, at least once in a financial year, on the basis of the Internal Audit Report presented and shall verify that the systems for internal control are adequate and are operating effectively.		Every Q
6.9.3	To provide directions on any penal action to be initiated, in case of any violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Code by any person.	Every Q	
6.9.4	To supervise inquiry/investigations and take disciplinary actions as per the Policy of the Company for inquiry In Case of Leak of Unpublished Price Sensitive Information.		Every Q
<b>6.10</b>	<b>Related party:</b>		
6.10.1	To review and approve the Company's policy vis-à-vis Related Party Transactions (RPTs) and matters related thereto.		Q 1
6.10.2	To review and grant prior approval to all the RPTs and subsequent material modifications.		Every Q for other than Omnibus
	The Audit Committee may however grant omnibus approval for RPTs proposed to be entered into by the company subject to the following conditions:		Q 4 of previous year
	a) The Committee to lay down the criteria for granting the omnibus approval in line with the Company's policy on RPTs and such approval shall be applicable in respect of transactions which are repetitive in nature.		
	b) The Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.		
	c) Such omnibus approval shall specify:		
	i. the name of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,		

	ii. the indicative base price / current contracted price and formula for variation in the price if any, and		
	iii. such other conditions as the Committee may deem fit;		
	Provided that where the need for RPTs can't be foreseen and aforesaid details are not available, the Committee may grant omnibus approval for RPTs subject to their value not exceeding Rs. 1 crore per transaction.		
	d) The Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.		
<b>6.11</b>	<b>Subsidiary Company oversight</b>		
6.11.1	Review the financial statements and in particular, the investments made by the unlisted subsidiary companies.	Every Q	
<b>6.12</b>	<b>CEO / CFO Certification</b>		
6.12.1	Review of the CEO/CFO disclosure reports on the deficiencies in the design or operation of internal controls pertaining to financial reporting, if any, and steps the CEO / CFO have taken or propose to take to rectify these deficiencies.	Every Q	
6.12.2	The Audit Committee shall take note of disclosures on:		
	<ul style="list-style-type: none"> <li>• Significant changes in internal controls over financial reporting during the year.</li> </ul>	Every Q	
	<ul style="list-style-type: none"> <li>• Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and</li> </ul>	Every Q	
	<ul style="list-style-type: none"> <li>• Instances of significant fraud of which they have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.</li> </ul>	Every Q	

<b>6.13</b>	<b><u>Filing of Annual Audit Report with Stock Exchanges</u></b>		
6.13.1	In case of a modified opinion by the Auditors on the Annual Audited Financial Statements, the Chairman of the Audit Committee along with other signatories viz. CEO/MD, CFO and Statutory Auditors shall sign the Statement on Impact of Audit qualifications to be submitted to the Stock exchanges along with the Audited Annual financial statements, for that financial year.	Whenever the need arises failing which a statement by CFO that the Report is unmodified	
<b>9</b>	<b>Evaluation</b>		
9.1	Conduct an annual performance evaluation related to the Audit Committee's purpose, duties, responsibilities and effectiveness and recommend any changes it considers necessary for the approval of the Board of Directors.		Q4
<b>10</b>	<b>Review of Audit Committee Charter</b>		
10.1	The adequacy of this charter shall be reviewed and reassessed by the Audit 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.		Q 4 unless requested earlier