



**ADANI WILMAR LIMITED**  
**CHARTER OF AUDIT COMMITTEE**

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## Charter of Audit Committee

### 1. Objective

The Audit Committee ("Committee") is constituted pursuant to and in accordance with the applicable provisions of Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time.

The Committee reports to and is accountable to the Board of Directors ('Board') of Adani Wilmar Limited ('Company').

The Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors. The prime objective of the Committee is to assist the Board with oversight of, inter alia, the quality, integrity and efficacy of internal financial controls, accounting, auditing, financial reporting, disclosures, compliances, internal audit process, and independence of auditors.

### 2. Composition of the Committee

- The Committee shall have minimum three Members, majority of them being Non-executive and Independent Directors.
- All Members of the Committee shall be financially literate and at least one Member shall have accounting or related financial management expertise.
- The Members of the Committee shall elect a Chairman amongst themselves, who shall necessarily be an Independent Director.

### 3. Secretary

The Company Secretary shall act as Secretary to the Committee Meetings.

### 4. Meetings and Quorum

- The Committee shall meet periodically, but at least 4 times a year and not more than 120 days shall elapse between two successive Meetings.

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- The quorum for Meetings of the Committee shall be either two Members or one-third of the Members of the Committee, whichever is greater, including at least two Independent Directors.
- The Chief Financial Officer, Internal Auditor and a Representative of the Statutory Auditors should be requested to be present as invitees for the Meetings of the Committee.
- The Committee may invite such of the executives, as it considers appropriate (particularly, the Financial Controller), to be present at the Meetings of the Committee. On occasions considered necessary, the Committee may also meet without the presence of any executive of the Company.
- The Chairman of the Committee shall attend the Annual General Meeting and should be available to answer shareholder queries and provide clarifications that may be sought on matters dealt by the Committee.
- The decisions to be taken by the Committee may be taken by way of a circular resolution, wherever permitted under the law.

### 5. 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:

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommend for appointment, remuneration and terms of appointment of auditors of the Company.
3. To review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with 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 Section 134(3)(c) of the Companies Act, 2013.
  - B. Changes, if any, in accounting policies and practices and reasons for the same.

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- C. Major accounting entries involving estimates based on the exercise of judgment by the 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/ qualified opinion(s) in the draft audit report.
4. To review, with the management, the quarterly financial statements before submission to the board for approval.
  5. To examine the financial statements and auditor's report thereon.
  6. To monitor the end use of the funds raised through public offers and related matters.
  7. To 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  8. To review and monitor the Auditor's independence and performance, and effectiveness of audit process.
  9. To approve or any subsequent modification of transactions of the Company with related parties.
  10. To scrutinise inter-corporate loans and investments.
  11. To undertake valuation of undertakings or assets of the Company, wherever it is necessary.
  12. To evaluate internal financial controls and risk management systems.
  13. To review, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems.
  14. To review 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.
  15. To discuss with internal auditors of any significant findings and follow up there on.
  16. To review the findings of any internal investigations by the internal auditors

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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.

17. To discuss with statutory auditors, internal auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. To review the functioning of the whistle blower mechanism.
20. To approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
21. To carry out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI Listing Regulations, the Act, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws.
22. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
23. To consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., of the Company and its shareholders.
24. The Management Discussion and Analysis of financial condition and results of operations.
25. Statement of significant related party transactions submitted by management.
26. Management letters / letters of internal control weaknesses issued by the statutory auditors.
27. Internal audit reports relating to internal control weaknesses.
28. The appointment, removal and terms of remuneration of the internal auditor.
29. Statement of deviations:
  - A) Quarterly statement of deviation(s) submitted to stock exchange(s) in terms of regulation 32 of the SEBI Listing Regulations, as amended.
  - B) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of the SEBI Listing Regulations, as amended

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### **6. Reporting**

The Committee shall report on its activities and summarize any recommendations at subsequent Board meeting.

This charter shall be displayed on the website of the Company.

### **7. Minutes**

The Company Secretary will maintain minutes of meetings of the Committee, which will be submitted to the Board in subsequent meeting, for noting.

### **8. Review of Committee 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.

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