

CHARTER OF THE AUDIT COMMITTEE

This document sets forth the purpose, authority, composition, and responsibilities of the Audit Committee (“Committee”) of the Board of Directors of Advanta Enterprises Limited. It serves as a guiding framework to ensure compliance with applicable laws, regulations, and best practices in corporate governance.

I. OBJECTIVES

The Committee is constituted by and accountable to the Board of Directors. Its objective is to oversee the Company’s financial reporting process and ensure the integrity, accuracy, and transparency of financial statements and disclosures. The Committee recommends the appointment and remuneration of statutory auditors, reviews the scope and findings of audits, and monitors the adequacy of internal controls and risk management systems. The Committee approves related party transactions and supervises the whistleblower and insider trading mechanism. Additionally, the Committee reviews quarterly, half-yearly, and annual financial statements before submission to the Board and undertakes any responsibilities delegated by the Board in line with regulatory requirements and best practices.

II. COMPOSITION

- (a) The Committee shall have minimum three Directors as Members with at least two-third of its members as Independent Director.
- (b) All members of the Committee shall be financially literate and at least one Member shall have accounting or related financial management expertise.
- (c) The Chairperson of the Committee shall be an Independent Director.
- (d) The Company Secretary shall act as the Secretary to the Committee.

III. MEETING REQUIREMENTS

- (a) The Committee shall meet at least four times in a financial year and not more than one hundred and twenty days shall elapse between two consecutive meetings.
- (b) The quorum for Committee meeting shall either be two members or one third of the members of the Committee, whichever is greater, with at least two Independent Directors.

IV. ROLES AND RESPONSIBILITIES

A. Accounts and Audit:

1. Oversight of 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. 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:
 - 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.
3. Reviewing, with the management, the quarterly, half-yearly and annual-financial statements before submission to the board for approval.
 4. Recommendation to the board of directors of the Company (the "Board" or "Board of Directors") for appointment, re-appointment, replacement, remuneration and other terms of appointment of statutory auditors of the Company
 5. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 6. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
 7. 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.
 8. Approval of appointment of 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.
 9. To review management discussion and analysis of financial condition and results of operations.

B. Internal Controls and Internal Audit

1. Review the appointment, removal and terms of remuneration of the chief internal auditor and other internal auditors.
2. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems, internal controls of different functions and businesses.
3. 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, scope of internal audit, reporting structure coverage and frequency of internal audit.
4. Discussion with internal auditors of any significant findings and follow up there on.
5. 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.

6. Review with the management letters of internal control weaknesses issued by the internal auditors.
7. Evaluation of internal financial controls and risk management systems.
8. Approving the key performance indicators (“KPIs”) for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law; and

C. Insider Trading

1. To recommend to the Board revision in Insider Trading Policy and to supervise implementation of the Insider Trading Code.
2. The Chairman of the Audit Committee to note the status reports detailing the dealings by Designated Persons in securities of the Company.
3. To provide directions on any penal action to be initiated, in case of any violation of the Insider Trading Regulations by any person as per the consequence management guidelines.
4. Review of effectiveness of Internal Control system framed for compliance of PIT Regulations to prevent Insider Trading.

D. Public issue funds

1. 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 utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter.

E. Miscellaneous

1. Approval of any subsequent modification 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, by the independent directors who are members of the Audit Committee;
2. Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;
3. Make omnibus approval for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved;
4. Review of transactions pursuant to omnibus approval;
5. Make recommendation to the Board, where Audit Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013.
6. Explanation: The term “related party transactions” shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or applicable accounting standards and/or the Companies Act, 2013.
7. Scrutiny of inter-corporate loans and investments of the Company.
8. Valuation of undertakings or assets of the Company, wherever it is necessary.

9. To oversee the functioning of the vigil mechanism for directors and employees to report their genuine concerns or grievances and the vigil mechanism shall provide access to the chairperson of the Audit Committee to directly hear the grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional case.
10. Reviewing the functioning of the whistle blower mechanism.
11. Review of utilization of loan and/or advances from/investment by the Company to subsidiary companies exceeding Rs.100 crore or 10% of asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
12. Reviewing any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
13. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
16. Evaluate its performance annually.
17. Review and reassess the adequacy of Charter on annual basis and recommend any proposed changes for approval of the Board.
18. Delegate any of the terms mentioned hereinabove to any officer / employee of the Company or to any other person.
19. Perform such other functions as may be required under the relevant provisions of the Companies Act, 2013, the Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and various circulars issued by the regulatory authorities thereof, as amended from time to time and discharge such other functions as may be specifically delegated to the Committee by the Board from time to time.
20. Such roles as may be delegated by our Board and/or prescribed under the Companies Act and SEBI Listing Regulations or other applicable law.

V. POWERS OF AUDIT COMMITTEE

1. to investigate any activity within its terms of reference;
2. to seek information from any employee;
3. to obtain outside legal or other professional advice;
4. to secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. such other powers as may be prescribed under the Companies Act and the SEBI Listing Regulations.
