

CHARTER OF AUDIT COMMITTEE

AUDIT COMMITTEE CHARTER

Effective from January 1st 2023

1. Primary Objectives

The Audit Committee is constituted by, and accountable to, the Board of Directors (or the

'Board') of Greenchef Appliances Limited ('Greenchef' or 'the Company').

The primary responsibilities are to assist the Board in overseeing the:

- integrity of the Company's financial statements;
- compliance with legal and regulatory requirements and the Company's Code of Business Conduct and Ethics (COBE);
- qualification and independence of the External and Internal Auditors;
- performance of the Company's External Auditors and Internal Audit team; and
- adequacy and reliability of the internal control systems, especially those relating to the reporting of the Company's financials.
- whistle-blower/ombudsperson related matters.

2. Composition

- The Committee shall include at least three independent Directors and the Chairman of the Committee shall be designated by the Board.
- Under SEBI Regulations, all members of Audit Committee shall be 'financially literate' which, at minimum, will require possessing a working familiarity with the basic finance and accounting practices and ability to read and understand basic financial statements and at least one member the Committee shall have accounting or related 'financial management expertise' as per relevant laws.

3. Secretary

The Company Secretary shall act as Secretary to the Committee.

4. Quorum

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Audit Committee; whichever is greater

5. Meetings

- The Committee shall meet at least four times in a year and not more than 120 days shall elapse between two successive meetings.
- The Committee shall meet periodically with management, the Internal Auditors and the External Auditors, jointly as well as in separate executive sessions, as deemed fit by it.
- The External Auditors, the Chief Internal Auditor and the Chief Financial Officer (CFO) shall attend and participate at meetings of the Committee. The Committee may invite such other executives, as it considers appropriate, to be present at the meetings.

The right to vote shall vest only in the uninterested members of the Committee.

6. Annual General Meeting

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 audit committee.

7. Authority

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

- To approve appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
- 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.
- To seek information, when needed, from, and have direct access to, any employee or Director of the Company.
- To secure assistance and attendance of outsiders with relevant knowledge/expertise in accounting, legal or other matters, if it considers necessary.
- To engage independent counsel and other advisors as it deems appropriate to perform its duties and responsibilities.
- To determine the provision of appropriate funding by the Company for compensation to the external auditors, other advisors/experts that the Committee chooses to engage and other ordinary administrative expenses of the Committee.

8. Specific Responsibilities

The responsibilities of the Audit Committee shall include the following:

8.1 Financial Statements

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

- Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board, with particular reference to:

Matters required to be included in the annual 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.

Disclosure under the annual 'Management Discussion and Analysis of Financial Condition and Results of Operations'.

Changes in accounting policies and practices, if any, and the reasons for such changes.

Major accounting entries involving estimates based on exercise of judgment by management.

Qualifications in the draft audit report, if any.

Significant adjustments made in the financial statements arising out of audit findings, if any.

Compliance with listing and other legal requirements relating to financial statements.

Disclosure of any related party transaction.

Disclosure of contingent liabilities.

Company's earnings press releases.

Review the statement for uses/applications of funds by major category on a quarterly basis, and annually the statement of funds utilized for purposes other than as mentioned in the offer document / prospectus / notice. Such review shall be conducted till the money raised through the issue has been fully spent.

Disclosures from the CEO and CFO made in connection with the certifications accompanying the Company's quarterly / half yearly and annual reports filed with the Stock Exchange(s):

a) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data, if any; and

b) any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls.

8.2 External Audit

- Hold timely discussions with the External Auditors regarding:

Critical accounting policies and practices.

Alternative treatments of financial information within GAAP and/or IFRS that have been discussed with the management, along with their consequences and ramifications, as well as the treatment preferred by the External Auditors.

- Discuss with the External Auditors, before the audit commences in any given financial year, the nature and scope of audit as well as post-audit discussion / review to ascertain any area of concern.
- Review with the External Auditor any audit problems or difficulties, and the management's response.
- Mediate on any disagreement on accounting treatment or processes regarding financial reporting between the External Auditor and the management.
- Recommend to the Board the appointment, re-appointment, removal of the External Auditors, fixation of audit fee and also approval for fee for any non-audit services rendered by the External Auditors.
- Annually evaluate auditors' performance, qualification and independence, and obtain and review a report by the External Auditors describing:

The firm's internal quality control procedures.

Any material issues raised by the most recent internal quality control review or peer review of the firm, or by any inquiry or investigation conducted by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried on by the firm and any steps taken to deal with any such issues.

- Pre-approval of audit and non-audit services to be rendered by the External Auditors of the Company.
- Review, with the External Auditors, certain information relating to the auditor's judgments about the quality of the Company's accounting principles as applied to its financial reporting, and generally including:

such matters as the consistency of the application of the Company's accounting policies, and the clarity and completeness of the Company's financial statements, which include related disclosures.

such items that have a significant impact on the representational faithfulness, verifiability, and neutrality of the accounting information included in the financial statements.

8.3 Internal Audit

- Review on a regular basis the adequacy of internal audit function, the structure of the internal audit department, approval of the internal audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and frequency of internal audit.
- Ensure that there are no unjustified restrictions or limitations on the tasks of the Internal Auditors and the Chief Internal Auditor; and review and concur in the appointment, replacement, dismissal and remuneration of the Chief Internal Auditor.
- Review the regular internal audit reports to management prepared by the internal audit department, as well as management's response thereto.
- 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.
- Discuss with internal auditors any significant findings and follow-up thereon.
- Review internal audit reports relating to the internal controls.

8.4 Internal Control

- Review with the management, external and internal auditors, the adequacy of internal control systems and ensure adherence thereto.
- Review management letters / letters of internal control weaknesses issued by statutory / internal auditors.
- Review management's report on internal control and external auditor's attestation on management's assertion, where applicable.

8.5 Compliance with regulatory requirements and policies

- Review the effectiveness of the system for monitoring compliance with laws and regulations, and the results of management's investigation and follow-up of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Examine the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- Review the process of communicating the COBE to employees and the mechanism for its adherence and functioning of the Whistle Blower policy and its mechanism.
- Review the Company's report on the utilization of proceeds of such public / rights issue and make appropriate recommendations to the Board.

- Obtain regular updates from company's management, general counsel and chief compliance officer, regarding compliance matters.
- Approval or any subsequent modification of transactions of the company with related parties, including omnibus approval.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of risk management systems and assessment. However, the same may be evaluated by the risk management committee, if any.
- Review the statement of significant related party transactions submitted by the management.
- Annually review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and adequacy of related internal control systems.

8.6 Subsidiary company oversight

- On an annual basis, review the financial statements of the Company's materially significant subsidiaries.
- Review the appointment, compensation, oversight of the External Auditor's work for each subsidiary company.
- Review of utilization of loans and / advances from / investment by the Holding Company in the subsidiary exceeding Rs.100 crore or more or 10% of asset size of the subsidiary, whichever is lower, including existing loans / advances / investments.

9. Reporting

- The Committee shall report on its activities, and summarize any recommendations; at each quarterly Board meeting. It shall also draft an appropriate report for inclusion in the Company's annual report.
- 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.

10. Evaluation

- The Committee, if deemed necessary, may conduct a performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend, any changes, it considers necessary for the approval of the Board of Directors.
- The Committee may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

11. Review of Audit Committee Charter

The adequacy of this charter shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any shall be made to the Board to update the same from time to time.

Approved by: Board of Directors on 30th December 2022