



ADITYA BIRLA FASHION AND RETAIL LIMITED

CHARTER & TERMS OF REFERENCE : AUDIT COMMITTEE*

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Registered Office:

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CHARTER

I. OBJECTIVES:

The objectives of the Audit Committee (*"the Committee"*) of the Board of Directors (*"the Board"*) of Aditya Birla Fashion and Retail Limited (*"the Company"*) is to assist the Board with oversight of (i) the accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures; (ii) compliance with legal and regulatory requirements; (iii) the Company's independent auditors' qualifications and independence; (iv) the performance of the Company's independent auditors and internal auditors; and matters stated in the terms of reference of the Committee.

The role, responsibilities and powers of the Committee shall include matters set out in this charter and such other items as may be prescribed by applicable laws as amended or by the Board in compliance with applicable law from time to time.

II. COMMITTEE MEMBERSHIP AND ORGANIZATION:

The Committee shall be appointed by and will serve at the discretion of the Board. The Committee shall consist of three (3) or more members with at least two thirds of the members being Independent Directors. The members of the Committee shall meet as provided under applicable laws from time to time.

The members of the Committee will be appointed by the Board.

III. MEETINGS AND QUORUM:

The Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. 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. The Managing Director shall be a permanent invitee to the meetings of the Committee.

TERMS OF REFERENCE

In terms of the applicable provisions of Section 177 of the Companies Act, 2013, and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, the scope, functions, and terms of reference of the Committee *inter alia* include the following:

- (a) Reviewing management discussion and analysis of financial condition and results of operations;
- (b) Recommending the terms of appointment/ re-appointment, remuneration and any other terms and conditions pertaining to the appointment/ re-appointment, if required, replacement or removal of auditors, fixation of statutory audit fees and approval of payment for any other services rendered by the statutory auditors, as permitted under applicable laws;
- (c) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (d) Reviewing the adequacy of internal audit function and internal control systems including internal financial controls;
- (e) Evaluating of internal financial controls, risk management systems of the Company;
- (f) Discussing with the internal auditors of any significant findings and follow-up thereon;
- (g) Reviewing significant audit findings, if any, from the statutory and internal audits;
- (h) Reviewing the adequacy and operational effectiveness of internal control systems in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015;
- (i) Overseeing the Company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- (j) Reviewing with the management, the quarterly unaudited financial statements and annual audited financial statements alongwith limited review report/ auditor's report thereon before submission to the Board for the approval;
- (k) Reviewing of annual financial statements inter alia including reviewing changes in accounting policies, if any, major accounting entries involving estimates, significant adjustments made in financial statements, qualifications in draft audit report, if any etc;
- (l) Reviewing with the management, the statement of uses/ application of funds raised through the issue and reporting the same to the Board
- (m) Scrutinising the inter-corporate loans and investments;
- (n) Reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary, if any;
- (o) Reviewing the functioning of Vigil/ Whistle Blower Mechanism;
- (p) Approving appointment of Chief Financial Officer of the Company;
- (q) Independent Directors of the Audit Committee to approve all related party transactions and any subsequent modifications to the same and
- (r) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.