

## **Audit Committee Charter of Gretex Share Broking Limited**

### **1. Objectives**

The objectives of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Gretex Share Broking 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 (v) acquisitions and investments made by the Company.

The Audit Committee will meet at least four times in a one year and not more than 120 days have elapsed between two meetings of the Audit Committee.

The powers, role and responsibilities 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.

#### ***Powers of Audit Committee***

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### ***Role of Audit Committee***

The role of the Audit Committee shall include the following:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. 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 Section 134(3)(c) 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;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. 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 utilisation 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;
  7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. approval or any subsequent modification of transactions of the listed entity with related parties;
  9. scrutiny of inter-corporate loans and investments;
  10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
  11. evaluation of internal financial controls and risk management systems;
  12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. 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, reporting structure coverage and frequency of internal audit;
  14. discussion with internal auditors of any significant findings and follow up there on;
  15. 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;

16. 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;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 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.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.

Further, the Audit Committee shall mandatorily review the following information:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 3) internal audit reports relating to internal control weaknesses; and
- 4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 5) 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).