



**ACC LIMITED**  
**CHARTER OF AUDIT COMMITTEE**

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**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 ACC 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, all 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.

**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.
- 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.

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- The Managing Director / Chief Executive Officer, 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

SN	Terms of Reference	Frequency
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	Q
2	To recommend for appointment, remuneration and terms of appointment of statutory and internal auditors of the company	P
3	To approve availing of the permitted non-audit services rendered by the Statutory Auditors and payment of fees thereof	A
4	To review, 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	A
B	Changes, if any, in accounting policies and practices and reasons for the same	Q
C	Major accounting entries involving estimates based on the exercise of judgment by the management	Q
D	Significant adjustments made in the financial statements arising out of audit findings	Q
E	Compliance with listing and other legal requirements relating to financial statements	Q
F	Disclosure of any related party transactions	Q
G	Modified opinion(s) in the draft audit report	A
5	To review, with the management, the quarterly financial statements before submission to the board for approval	Q
6	To review, with the management, the statement of uses/	P

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SN	Terms of Reference	Frequency
	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	
7	To review and monitor the Auditor's independence and performance, and effectiveness of audit process	Q
8	To approve all related party transactions and subsequent material modifications, thereof.	P
9	To scrutinise inter-corporate loans and investments	Q
10	To undertake valuation of undertakings or assets of the company, wherever it is necessary	P
11	To evaluate internal financial controls and risk management systems	Q
12	To review, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems	Q
13	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	A
14	To discuss with internal auditors of any significant findings and follow up there on	Q
15	To 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	Q
16	To discuss 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	Q
17	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	Q
18	To review the functioning of the Vigil Mechanism / Whistle Blower Policy of the Company.	Q
19	To approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate	P
20	To review financial statements, in particular the investments made by the Company's unlisted subsidiaries	Q
21	To review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 EBI Insider Trading Regulations at least once in a financial year and verify that the systems for internal control	Q

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SN	Terms of Reference	Frequency
	are adequate and are operating on effectively.	
22	To review 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	Q
23	To oversee the company's disclosures and compliance risks, including those related to climate	Q
24	To consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders	P
25	To review key significant issues, tax and regulatory / legal report which is likely to have significant impact on financial statements and management's report on actions taken thereon	P
26	To discuss with the management regarding pending technical and regulatory matters that could affect the financial statements and updates on management's plans to implement new technical or regulatory guidelines	Q
27	To review and recommend to the Board for approval – Business plan, Budget for the year and revised estimates	A
28	To review Company's financial policies, strategies and capital structure, working capital and cash flow management	H
29	To ensure the Internal Auditor has direct access to the Committee chair, providing independence from the executive and accountability to the committee	-
30	To review the treasury policy & performance of the Company, including investment of surplus funds and foreign currency operations	A
31	To review management discussion and analysis of financial condition and results of operations	A
32	To review, examine and deliberate on all the concerns raised by an out-going auditors and to provide views to the Management and Auditors	P
33	To carry out any other function mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable	P

Frequency    **A** Annually    **Q** Quarterly    **H** Half yearly    **P** Periodically

### 6. Reporting

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



## Charter of Audit Committee

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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