



C.J. GELATINE PRODUCTS LIMITED

**AUDIT COMMITTEE
POLICY**

C.J. GELATINE PRODUCTS LIMITED
CIN L24295MH1980PLC023206

AUDIT COMMITTEE POLICY

C.J. Gelatine Products Limited (“The Company”) shall constitute Audit Committee in accordance with section 177 of the Companies Act, 2013 & rules made there under and SEBI (LODR) Regulations, 2015.

I. Constitution of Committee: The Committee shall consist of at least 3(*three*) directors with independent directors forming majority & chairperson of the committee shall be an Independent Director.

- 1. Qualifications & Independence:** Each director on the Committee will have such qualifications as the Board determines. In addition, each director on the Committee will be independent within the meaning of applicable laws, and will meet applicable listing requirements, as the Board determines. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- 2. Removal:** The entire Committee or any individual director/member on the Committee may be removed with or without cause by the affirmative vote of a majority of the Board.
- 3. Chairman:** The Board may designate a chairman of the committee (the “Chairman”) who shall be an Independent Director.
In the absence of such chairman at the committee meeting, the committee may designate one of them who shall be an independent director as the chairman of the meeting by majority of votes of the committee members.

II. PROCEDURES

- 1. Number of Meetings:** The committee shall meet at least 4(*four*) times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
- 2. Policy Review:** The Committee will annually re-view and re-assess the adequacy of this charter/policy and will submit any recommended changes to the Board for approval.
- 3. Performance Review:** The Committee will annually undertake an evaluation assessing its performance with respect to its purposes and its duties and tasks set forth in this charter and will report the results of such evaluation to the Board.

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III. ROLE/FUNCTIONS/DUTIES/RESPONSIBILITIES OF THE COMMITTEE

1. To enable the Board of Directors regarding following;
 - a) 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;
 - b) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
 - c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. 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;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions;
 - vii. modified opinion(s) in the draft audit report;
 - e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - f) 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, the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - h) approval or any subsequent modification of transactions of the listed entity with related parties;
 - i) scrutiny of inter-corporate loans and investments;

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- j) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- k) evaluation of internal financial controls and risk management systems;
- l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) 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;
- n) to review the functioning of the whistle blower mechanism;
- o) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- p) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

IV. REVIEW OF AUDITED/UNAUDITED FINANCIAL STATEMENTS & OTHER MATTERS:

The Committee will:

- a. Review and discuss with management and the auditor of the company, Annually /Half yearly/Quarterly audited/unaudited financial statements.
- b. Review with management and auditor of the company:
 - i. the results of the company's audit and opinion of the company's auditor on the annual financial statements;
 - ii. Auditor's judgments on the quality, not just the acceptability, and consistent application of accounting principles, the reasonableness of significant judgments, clarity of disclosures and underlying estimates in the financial statements;
 - iii. major issues regarding accounting principles and financial statement presentations, including changes in accounting principles or application thereof, significant judgment areas, and significant and complex transactions;
 - iv. the effectiveness and adequacy of internal auditing; and
 - v. any disagreements between management and auditor of the company, about matters that individually or in the aggregate could be significant to Company's financial statements or the auditor's report, and any serious difficulties the auditor of the company in dealing with management related to the performance of the audit and management's response.

V. REPORT FROM AUDITOR OF THE COMPANY

Annually, the Committee will obtain and review a report by the auditors describing (a) internal quality control procedures (b) any material issues raised by the internal quality-control review, or peer review, or by any governmental or professional inquiry or investigation within the preceding five years regarding any audit performed by the auditor, and any steps taken to deal with any such issues.

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VI. INTERNAL CONTROLS

The Committee will review the adequacy and effectiveness of Company's internal controls, including any significant deficiencies in such controls and significant changes or material weaknesses in such controls reported by the auditor or management and any special audit steps adopted in light of material control deficiencies, and any fraud, whether or not material, that involves management or other Company's employees who have a significant role in such controls.

VII. INFORMATION SECURITY

The Committee will review the adequacy and effectiveness of Company's information security policies and the internal controls regarding information security.

VII. INTERNAL AUDIT

The Committee will review the overall scope, qualifications, resources, activities, reports, organizational structure and effectiveness of the internal audit function.

IX. COMPLIANCE

The Committee will oversee Company's compliance programs with respect to legal and regulatory requirements, and review with management and the Director of Internal Audit the results of their review of compliance with applicable laws, regulations and listing standards, and internal audit reports.

X. RISKS

The Committee will review and assess risks facing by the company and management's approach to addressing these risks, including significant risks or exposures relating to litigation and other proceedings and regulatory matters that may have a significant impact on Company's financial statements.

XI. RELATED PARTY TRANSACTIONS:

The Committee will review and approve all "related party transactions," as defined in applicable laws.

XII. INVESTIGATIONS

The Committee will conduct or authorize investigations into any matters within the Committee's scope of responsibilities Disclosure Controls and Procedures. The Committee will review the adequacy and effectiveness of Company's disclosure controls and procedures.

- **Investments:** The Committee will review the activities of the Investment Review Committee
- **Loans and Obligations:** The Committee will oversee Company's loans, loan guarantees of third party debt and obligations and outsourcings.