



TATA CONSUMER PRODUCTS LIMITED

Audit Committee Charter

Objectives of the Audit Committee

1.1. The Audit Committee ("Committee") of the Board of Directors ("Board") of Tata Consumer Products Limited ("Company") shall discharge the following responsibilities:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and creditable
- Evaluation of internal financial controls and risk management systems
- Ensuring the continued independence of the External Audit and Internal Audit
- Oversee the statutory audit process and the internal audit function
- Oversight of function of Whistleblowing/vigil mechanism:
- Review compliance with regulatory requirements and policies
- Approving Related Party Transactions (RPTs) and material modifications to the RPTs
- Monitoring compliance with Insider Trading Regulations
- Oversee financial reporting controls and process for material subsidiaries.
- Oversee compliance with legal and regulatory requirements including the Tata Code of Conduct ("TCoC") and other policies on Business Ethics for the Company and its material subsidiaries
- Recommendation of the Policy on Related Party Transactions
- Performing such other duties and responsibilities as may be consistent with the provisions of this charter.

1.2. The Audit Committee will report to the Board on its activities at least four times in a year.

2. Composition

2.1. The Audit Committee shall comprise of minimum three directors and two-third members shall be independent directors.

2.2. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

2.3. The Chairperson of the Audit Committee shall be an independent director, from amongst the members of the Committee.

2.4. The Company Secretary of the Company shall act as the secretary to the Committee.

3. Meetings and Quorum

3.1. The Committee must establish an Annual Work Plan ("AWP") for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The AWP must ensure proper coverage of the matters laid out in the Charter.

3.2. The Committee shall meet as often as needed to discuss the matters in accordance with the AWP, at least 4 times during the year, and not more than one hundred and

twenty days shall elapse between two meetings (or such other time as prescribed under the applicable laws)

- 3.3. The audit committee at its discretion shall invite the head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee. The Audit Committee may meet without the presence of any executives of the Company.
- 3.4. The Managing Director & CEO, the Executive Director & Group CFO, the Chief Operating Officer and Chief Financial Officer of the Company shall assist the Committee and would be a permanent invitee to the meetings of the Committee.
- 3.5. A detailed agenda, together with supporting notes and documents, should be circulated, at least 7 days prior to each meeting to the members of the Committee and other invitees, except such information or documents on items of business which are in the nature of Unpublished Price Sensitive Information can be tabled at the meeting.
- 3.6. The minutes of each meeting must be recorded, circulated to the members of the Committee, and approved either before or at the next Committee meeting.
- 3.7. The quorum for the meetings of the Audit Committee shall either be two members or one- third of the total size of the Committee, whichever is greater but shall include at least two independent directors
- 3.8. The Chairperson of the Committee shall be present at Annual General Meeting to answer shareholders' queries.

4. Authority and Power

The Audit Committee shall, subject to the approval of the Board, have the power to:

- Investigate any matter within the scope of this Charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.
- Ask for any records or documents of the Company.

In the context of any of the above, it may also engage (at the expense of the Company) independent consultants, legal or other professional advisors and seek their advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

5. Responsibilities of the Audit Committee

The responsibilities of the Audit Committee shall be the following:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- 2) Recommending the appointment and removal of Statutory Auditors, fixation of audit fee and approval for payment for any other services by Statutory Auditors;
- 3) Reviewing the utilization of loans and / advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower.
- 4) Review with the Management and Statutory Auditors of 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 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;
 - 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 and
 - g. Modified opinion(s) in the draft audit report;
- 5) Review of the quarterly and half-yearly financial results with the Management and the Statutory Auditors before submission to the Board for approval;
- 6) Examination of the financial statement and the auditors' report thereon;
- 7) Review and monitor Statutory Auditor's independence and performance and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the Company with related parties;

- 9) Scrutiny of inter-corporate loans and investments;
- 10) Review of valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Review with the Management, Statutory Auditors and the Internal Auditors about the nature and scope of audits and the adequacy of internal control systems;
- 13) Reviewing the adequacy of the 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) 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 material nature and reporting the matter to the Board;
- 15) Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- 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) Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend), and creditors, if any;
- 18) Review the functioning of the whistle blower policy/vigil mechanism.
- 19) Review and monitor the end-use/utilization of funds raised through an issue (public issue, rights issue, preferential issue, etc.), and related matters as required under the applicable laws and make appropriate recommendations to the Board, if required;
- 20) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience, and background, etc. of the candidate;
- 21) Frame and review policies in relation to the implementation of the Code of Conduct for Prevention of Insider Trading Code and supervise its implementation;
- 22) Review compliance with the provisions of SEBI Prohibition of Insider Trading Regulations at least once in a financial year on the basis of the Internal Audit Report presented and shall verify that the systems for internal control are adequate and are operating effectively.
- 23) Consider and comment on the rationale, cost-benefits, and impact of schemes involving merger, demerger, amalgamation, etc., on the listed entity and its shareholders.

24) Review of the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal, and terms of remuneration of the Chief Internal Auditor;
- f. Statement of deviations:
 - Quarterly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus in terms of Regulation 32(7) of the Listing Regulations, if applicable;

25) Carrying out such other functions as may be specified by the Board from time to time; and

26) Any other matter as prescribed by the Companies Act, 2013 & Rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 or such other Regulation prescribed by the SEBI from time to time.

6. Reporting

6.1. The Committee will periodically report to the Board on various matters that it has considered as well as on the independence of the Auditors.

6.2. The Annual Report of the Company shall disclose the composition of this Committee (including names and profiles of members and Chairperson), brief description of the scope of the Committee Charter, number of meetings and attendance.

7. Compensation

Members of Audit Committee shall receive such sitting fees and/ or commission, if any, for their services as Audit Committee members as may be determined by the Board in its sole discretion.

8. Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the

result to the Board of Directors. Areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities
- Adequacy of Committee composition
- Effectiveness of meetings
- Committee Dynamics
- Quality of relationship with Board and Management.

9. Review of Charter

The adequacy of this Charter shall be reviewed and reassessed by the Committee, periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory framework or otherwise.

10. Subsidiary Companies

Subsidiary companies of the Company shall also form Audit Committee, as applicable under law. In such cases, where there is a requirement to form separate charters for the subsidiary companies, such Committees shall adhere as much as is possible to the provisions of this Charter for their constitution and working.