

OCEANAA BIOTEK INDUSTRIES LIMITED

AUDIT COMMITTEE CHARTER

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In compliance with Section 177 (9) of the Companies Act, 2013 (“the Act”) and pursuant to the SME Listing Agreement, the Board of Directors of the Company have laid out the Terms of Reference of the Audit Committee.

This Terms of Reference or Audit Committee Charter (“the Charter”) has been formulated setting out the scope for the Audit Committee to deal with the matters under the provisions of the Companies Act 2013 and the Listing Agreement.

Any amendments/modifications to the code shall be intimated to the Stock Exchange and displayed on the website of the Company.

Composition and Members of the Audit Committee

The Audit Committee consists of 3 directors, out of which 2 are Independent Directors. The Chairman of the Audit Committee is Mrs. Irudayaraj Beaula Raj, an Independent Director.

Name of the Director	Position	Category
Mrs.Irudayaraj Beaula Raj	Chairman	Independent Director
Mrs.Vimalla Joseb	Member	Executive Director
Mr.Jesu Raj	Member	Independent Director

The Company Secretary acts as Secretary to the Committee.

Objectives

- Review of the Financial Reporting Process.
- Recommendations to the Board for the appointment, re-appointment and if required the removal of statutory auditor, cost auditor and internal auditors and determination of their fees.
- Review and monitor auditor’s independence and performance and effectiveness of audit process.
- Review of the draft financial statements and auditor’s report before submission to the Board.
- Review of accounting policies and practices.
- Evaluation of Internal controls and internal audit systems.
- Evaluation of Risk management policies and practices.
- Review of Related party transactions.
- Compliance with Stock Exchange and legal requirements concerning financial statements.

Meetings

(i) The Audit Committee shall meet at least four (4) times in a year and not more than 120 days shall elapse between two successive meetings.

(ii) The Statutory Auditors, the Internal Auditor and the Chief Financial Officer may attend and participate at meetings of the Committee, on invitation of the Committee. The Committee may invite such executives, as it considers appropriate, to be present at the meetings. The right to vote shall vest only with the members of the Committee.

(iii) The auditors of the Company and key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have a right to vote.

Financial Statements

The quarterly, half yearly and year end Financial Statements shall be reviewed by the Audit Committee before approval of the Board.

Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Changes, if any, in accounting policies and practices and reasons for the same
- b. Major accounting entries involving estimates based on the exercise of judgment by management
- c. Significant adjustments made in the financial statements arising out of audit findings

Review of Related Party Transactions

The Audit Committee shall review the Company's related party transaction

(i) A statement in summary form of transactions with related parties in the ordinary course of business shall be placed periodically before the audit committee.

(ii) Details of material individual transactions with related parties which are not in the normal course of business shall be placed before the audit committee.

(iii) Details of material individual transactions with related parties or others, which are not on an arm's length basis should be placed before the audit committee, together with Management's justification for the same.

OTHER ISSUES

(i) 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, and making appropriate recommendations to the Board to take up steps in this matter.

(ii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.

(iii) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

(iv) To seek information from any employee.

(v) To obtain outside legal or other professional advice.

(vi) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms not defined under this policy shall have the same meaning as assigned to them under the Companies Act, 2013, the SME Listing Agreement and such other statutes as may be applicable.

All other provisions not covered under this policy shall be subject to the Companies Act, 2013 and the rules framed thereunder, as amended from time to time and the SME Listing Agreement. Disclosures shall also be made in the Annual Report of the Company.