



Suven Pharmaceuticals Limited

Charter of the Audit Committee

(Amended Charter effective from November 12, 2024)

Registered Office

215 Atrium, C Wing, 8th Floor, 819-821,
Andheri Kurla Road, Chakala,
Andheri East, Chakala MIDC,
Mumbai, Maharashtra, India, 400093
Tel: +91 22 61539999

Corporate Office

202, A Wing, Galaxy Towers,
Plot No 1, Hyderabad Knowledge City,
TSIIC Raidurg, Hyderabad,
Telangana, India, 500081
Tel: +91 40 23549414

Website: <https://suvenpharm.com/>

Email: info@suvenpharm.com

Charter of the Audit Committee

Objective

The Audit Committee Charter is framed in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Management of the Company has the overall responsibility to prepare financial statements in accordance with Generally Accepted Accounting Principles. The Company's Statutory Auditors has the responsibility to audit those financial statements. The Committee's responsibility is one of overseeing the financial reporting process and financial statements.

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Suven Pharmaceuticals Limited (the "Company") is to assist the Board, *inter alia*, 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 Auditors' qualifications and independence; (iv) the performance of the Company's Auditors and Internal Auditors; and (v) adequacy and reliability of the internal control systems, especially those relating to the reporting of the Company's financials.

The role, responsibilities and powers of the Committee shall include matters set out in this Charter and such other items as may be delegated by the Board or prescribed under the applicable laws, as amended from time to time.

Composition

- The Audit Committee shall have minimum 3 (three) Directors as members, with at least two-third shall be independent Directors.
- Chairperson of the Audit Committee shall be an Independent Director.
- All members of Audit Committee shall be 'financially literate' and at least one member shall have accounting or related financial management expertise.
- The Company Secretary shall act as Secretary to the Committee.

Meeting and Quorum

- The Committee shall meet at least four times in a year and not more than 120 days shall elapse between two successive meetings.
- The quorum for the meeting shall be one-third of the total strength or two members, whichever is greater, with at least two Independent Directors.
- The Committee shall meet periodically with the management, the Internal Auditors and the External Auditors, jointly or in separate executive sessions, as it may deem fit
- The External Auditors, Internal Auditor and the Chief Financial Officer (CFO) shall attend and participate at meetings of the Committee.
- The Committee may invite such other executives, as it considers appropriate, to be present at the meetings.
- The right to vote shall vest only in the uninterested members of the Audit Committee. However, related party transactions shall be approved by the Audit Committee members, who are Independent Directors.
- The Chairman of the Committee shall attend the Annual General Meeting and should be available to answer shareholder queries, if any.

Authority

- The Committee shall act and have powers in accordance with the terms of reference specified by the Board;
- The Committee may investigate any activity within the scope of this Charter or referred to it by the Board;
- The Committee may seek information from any employee, when needed;
- The Committee may obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Role and Responsibilities

A. Accounts and Audit

- 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) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 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 clause (c) of Section 134(3) 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 and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 7) Approval or any subsequent modification of transactions of the Company with related parties;
- 8) Scrutiny of inter-corporate loans and investments;
- 9) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 10) Reviewing, with the management, performance of statutory auditors, adequacy of the internal control systems;
- 11) 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;
- 12) Review of the management discussion and analysis of financial condition and results of operations;
- 13) Review of the management letters/ letters of internal control weaknesses issued by the statutory auditors.

B. Internal Financial Control and Internal Audit

- 1) Evaluation of internal financial controls and risk management systems;
- 2) Reviewing, with the management, performance of internal auditors, adequacy of the internal control systems;
- 3) 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;
- 4) Discussion with internal auditors of any significant findings and follow up there on;
- 5) 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;
- 6) Internal audit reports relating to internal control weaknesses;
- 7) Appointment, removal and terms of remuneration of the chief internal auditor.

C. Subsidiaries oversight

- 1) Reviewing the utilization of loans and/ or advances from/ investment by the 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;
- 2) Review the appointment, compensation, oversight of the Auditor's work for subsidiary company;
- 3) On an annual basis, review the financial statements of the subsidiary copy, in particular, the investments made by the subsidiary.

D. Compliance and Insider Trading

- 1) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 2) Review and recommend to the Board for revision of the policy on materiality of related party transactions and on dealing with related party transactions;
- 3) Review and recommend to the Board for revision of the policy for determining material subsidiaries;
- 4) Review and recommend to the Board for revision of the Code of Conduct on Insider Trading;
- 5) Review the implementation of the Code of Conduct on Insider Trading;
- 6) To review the functioning of the whistle blower mechanism;
- 7) Review the sexual harassment complaints and outcome of investigations, if any;
- 8) Review the effectiveness of the system for monitoring compliance with laws and regulations, and the results of management's investigation and follow-up of any instances of non-compliance;
- 9) Review the findings of any examinations by regulatory agencies, and any auditor observations.

E. Matters pertaining to funds raised

- 1) 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;

- 2) 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 any public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
- 3) Review quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s);
- 4) Review annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice.

F. Others

- 1) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- 2) Review and recommend financial or treasury investments (i.e. other than those investments which are required to be specifically handled by Risk Management Committee related matters to the Board) and to deal with the matters incidental thereto;
- 3) Discharge such duties and functions as required in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 or any other applicable laws and the rules made thereunder from time to time;
- 4) Discharge such other functions as may be specifically delegated to the Committee by the Board from time to time.

Delegation of Authority

The Audit Committee may delegate to any member of the Committee the authority to pre-approve audit and permissible non-audit services, provided that such pre-approval decision be placed before the next Audit Committee meeting for noting.

Reporting

The Audit Committee shall report on its activities, and summarize any recommendations; at each quarterly Board meeting. The recommendations of the Audit Committee on any matter relating to financial management including the audit report, shall be binding on the Board. If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons thereof and communicate such reasons to the shareholders.

Evaluation

The Committee, if deemed necessary, may conduct a performance evaluation related to its purpose, duties, responsibilities and effectiveness and recommend, any changes, it considers necessary for the approval of the Board of Directors. The Committee may conduct such evaluation and reviews at such intervals and in such manner as it may deem appropriate.

Review of Audit Committee Charter

The Audit Committee charter shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any shall be made to the Board for approval of the same from time to time.

Approved by the Board of Directors on November 12, 2024