

CHARTER FOR THE AUDIT COMMITTEE OF VISHAL BEARINGS LIMITED

INTRODUCTION

The composition, quorum, powers, role, review of information, scope, etc., of the Audit Committee is in accordance with provisions of Section 177 of the Companies Act, 2013 and Clause 49 III of the Listing Agreement. The Audit Committee acts as a link between the Auditors and the Board of Directors. The Audit Committee inter-alia keeps checks on the adequacy of the internal control systems, financial disclosures and statutory compliances.

OBJECTIVES

The management of the Company has the overall responsibility to prepare financial statements in accordance with generally accepted accounting principles. The Company's Independent Auditors has the responsibility to audit those financial statements. The Committee's responsibility is one of overseeing the financial information. However, the Audit Committee has no obligation to provide any expert or other special assurance as to the Company's financial statements.

COMPOSITION AND ATTENDANCE

The Audit Committee is comprised of Independent Directors, all of them shall meet all applicable legal requirements with respect to independence, being financially literate and having accounts and financial management knowledge. At least one member will have accounting or related financial management expertise, as defined by the rules and regulations of the Securities and Exchange Commission. The Chairman of the Audit Committee shall be an independent director. The Company Secretary will act as the secretary to the committee. A member will be considered to have accounting or related financial management expertise. The members of the Committee will be appointed by the Board of Directors.

Sr. No.	Name of the Member	Designation
1	Mr. Kishan Rajeshkumar Sureja	Chairman
2	Mrs. Ameer Ketankumar Dadhania	Member
3	Mr. Vrajlal Gordhandas Changela	Member

The Audit Committee assists the Board in its responsibility to oversee the quality and integrity of the accounting, auditing, and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the appointment, independence, performance, and remuneration of the Statutory Auditors, including the Secretarial Auditor and Internal Auditors of the Company.

INDEPENDENCE

Each member of the committee shall satisfy the independence, experience and other requirements of, or as defined by the companies Act, 2013 and in compliance with listing agreement with the stock exchanges where the shares of the Company are listed.

QUALIFIED AND INDEPENDENT AUDIT COMMITTEE

The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. The Audit Committee presently consists of the two Independent Directors and one executive director.
2. All members of the committee are financially literate and have requisite financial management expertise.
3. The Chairman of the Audit Committee is an Independent Director.

POWERS OF THE AUDIT COMMITTEE

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.

ROLE OF THE AUDIT COMMITTEE

The brief description of the few of the terms of reference of Audit Committee is provided below:

- Review of Management discussion and analysis of financial condition and results of operations.
- Oversight of Company's financial reporting system.
- Review of the annual financial statements, before submission to the Board, focusing primarily on changes if any, in the accounting policies or practices, compliance of accounting standards, qualifications, related party transactions, Directors' responsibility statement etc.
- Reviewing with the management the quarterly financial statements before submission to the board for approval.
- Reviewing the adequacy of internal control systems with the management, statutory and internal auditors.
- Evaluation of internal financial controls and risk management systems.
- Review and monitor the auditor's independence and performance effectiveness of audit process.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors, scope and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Review of Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- The appointment, removal, and terms of remuneration of the Internal Auditors.
- Reviewing the effectiveness and adequacy of internal audit function and discussion with internal auditors any significant findings and follow up there on.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

- To review the functioning of the Whistle Blower mechanism.
- Carrying out such other functions, as may be specifically referred to on the Committee by the Board of Directors and or other Committees of Directors of the Company.

REPORTS

The Committee shall report to the Board at its next Board meeting, which will be incorporated as a part of the minutes of the Board of Directors meeting.

CIRCULAR RESOLUTION

The decisions to be taken by the Committee members may be taken by way of a circular resolution wherever it is not possible to have a meeting of the Committee members.

DELEGATION OF AUTHORITY

The committee may delegate to one or more designated members of the committee the authority to pre-approve audit and permissible non-audit services, provided such preapproval decision is presented to the full audit committee at its scheduled meetings.

MINUTES

The Company Secretary will maintain the minutes of the meetings of the Committee, which will be submitted to the Board for adoption and record.