BIOCON LIMITED

CHARTER DOCUMENT

OF

AUDIT COMMITTEE

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THE COMMITTEE

The Audit Committee ("the Committee") of the Board of Directors ("the Board") of Biocon Limited ("the Company") functions as per the provisions of Section 177 of the Companies Act, 2013 ("the Act") and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Committee provides direction to the audit function and monitors the quality of internal and statutory audit with an objective of moving towards a regime of unqualified financial statements.

The responsibilities of the Committee include review of the quarterly, half-yearly and annual financial results and financial statements before submission to the Board, overseeing the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial results/statements, etc. The Committee also reviews the adequacy and effectiveness of internal audit function and control systems and such other items as may be prescribed by applicable laws or by the Board from time to time.

CONSTITUTION, MEMBERSHIP AND COMPOSITION:

The Committee shall have minimum three directors as members. At least two-thirds of the members of the Committee shall be Independent Directors. All members of the Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

- **Chairperson** - The Chairperson of the Committee shall be an Independent Director. In case the Chairperson is unable to attend the meeting, the Members present at such meeting may elect one among them to be the Chairperson of that meeting. The Chairperson shall be present at Annual general meeting to answer shareholders queries.

- **Membership** - The Members of the Committee shall be appointed by the Board on the recommendations of the Nomination and Remuneration Committee.

- **Invitees –** In addition to the Statutory Auditors, Internal Auditors and Chief Financial Officer, any other director/key managerial personnel/officer/person may be invited, as deem fit, by the Committee. Invitee director will not have any voting rights and may be entitled to sitting fees, if any, as mutually agreed upon by the members of the Board.

  The auditors of the Company and the Key Managerial Personnel shall have a right to be heard in the meetings of the Committee when it considers the auditor's report but shall not have the right to vote.

- **Secretary** – The Company Secretary of the Company shall act as the Secretary to the Committee.

PROCEDURE AND QUORUM:

- **Time and frequency of meetings** – The Committee shall meet at least four times in a financial year (or such other minimum number of times as may be prescribed by law as in force from time to time) to discharge its roles and responsibilities. The meetings of the Committee shall be conducted in such a manner that on a continuous basis not more than one hundred and twenty (120) days (or such other number of days as may be prescribed by law from time to time) have elapsed between two consecutive meetings. Members who are not physically present, may attend through video conference/ other audio-visual means.

- **Quorum for meetings** - Two members or one third of the total strength, whichever is higher, including those who attend via video conference, but two independent directors should be present.

- **Sitting fees** - The Members of the Committee are eligible for sitting fees, if any, approved by the Board from time to time.

- **Onward Reporting** – The draft Minutes of each meeting of the Committee shall be circulated within the statutory time period as stated in the Secretarial Standards as issued by the Institute of Company Secretaries of India read along with the Companies Act, 2013 or any other applicable laws, rules or regulations as applicable from time to time. A copy of the signed minutes, certified by the Company Secretary, shall be circulated within the timelines as stated under the Secretarial Standards, to all the Members as on the date of the Meeting and appointed thereafter, except to those Members who have waived their right to receive the same either in writing or such waiver is recorded in the Minutes.

ROLES AND RESPONSIBILITIES

The roles and responsibilities of the committee shall *inter-alia* include the following:

Finance and Accounts

1. Oversee 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. Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;

3. 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 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 other legal requirements relating to financial statements;
    f. Compliance with applicable Accounting Standard issued by ICAI or other appropriate authority;
    g. Disclosure of any related party transactions;
    h. Modified opinion(s) in the draft audit report;

4. 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 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;

5. Scrutiny of inter-corporate loans and investments;

6. Valuation of undertakings or assets of the company, wherever it is necessary;

7. Reviewing the utilization of loans and/ or advances from/investment by the holding 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;

8. Reviewing the management discussion and analysis of financial condition and results of operations;

9. Review and approval of the related party transactions including any subsequent modifications thereof as per the terms mentioned in the Related Party Transaction Policy of the Company.

10. To make recommendations to the Board of Directors on any of the matters including matters stated above. In case the Board does not accept the recommendations made

by the Audit Committee, the same shall be disclosed in the Board's Report along with the reasons therefore.

Audit Management (Statutory and Internal)

1. Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory/internal auditor and the fixation of audit fees;

2. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

3. Reviewing, with the management, auditor's independence, effectiveness of audit process and performance of statutory/internal auditors;

4. 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;

5. Reviewing the management letters / letters of internal control weaknesses issued by the statutory auditors;

6. Review with the statutory auditors any significant findings and follow up there on;

7. Reviewing and approve the non-audit services to be provided by the statutory auditors;

8. 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;

9. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;

10. Review with internal auditors any significant findings and follow up there on;

11. 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;

12. Discussion with Internal auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

13. Reviewing internal audit reports relating to internal control weaknesses;

14. Establish a vigil mechanism for directors and employees to report their genuine concerns or grievances;

15. Reviewing the implementation and functioning of the Whistle Blower & Vigil Mechanism in the Company.

Others

1. Reviewing the financial statements, in particular, the investments made by the unlisted subsidiary company;

2. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate;

3. Reviewing the appointment, removal and terms of remuneration of the chief internal auditor;

4. Review and evaluation of the internal financial controls and risk management functions;

5. Looking 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;

6. Undertake self-evaluation of its own functioning and identification of areas for improvement towards better governance.

7. Review reports under the SEBI (Prevention of Insider Trading) Regulations and effectiveness of system of internal controls to ensure compliances under Insider Trading Code;

8. Reviewing and recommending to the Board for its approval various Codes/policies as required by law, such as Related Party Transactions Policy, Insider Trading Code etc.;

9. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

10. Mandatory review of statement of deviations.

    a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
    b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation32(7).

11. Review such other matters as may be required to be carried out by the Committee pursuant to amendments in laws, from time to time.

AUTHORITIES:

1. The Committee, at its sole discretion, may seek advice from external experts /advisors /consultants/legal counsel, where judged necessary, to discharge its duties and responsibilities;

2. To investigate any activity within its terms of reference;

3. To seek information from any employee or the Company; and

4. To secure attendance of statutory and internal auditors and outsiders with relevant expertise, if it considers necessary.

REVIEW OF CHARTER

The adequacy of this Charter shall be reviewed from time to time by the Committee and appropriate recommendations shall be made to the Board to update the same based on the changes including those that may be brought due to the regulatory amendments or otherwise.

In case of any ambiguity or need for clarification, the Company should refer applicable Secretarial Standards, provisions of Companies Act, 2013, SEBI Listing Regulations and Articles of Association of the Company and any other applicable laws. Further, in case there prevails any inconsistency between the provisions of this Charter and the prevailing law, the law shall prevail.

REFERENCE

As mandated by:

- Section 177 of the Companies Act, 2013 and rules made thereunder;
- Regulation 18 of the SEBI Listing Regulations.

VERSION HISTORY

- Committee constituted on April 16, 2001 by the Board of Directors.
- This Charter was approved on April 25, 2019.
- Reviewed and amended on May 14, 2020.
- Reviewed and amended by the Committee on September 24, 2021.
- Reviewed and amended by the Committee on September 26, 2022 and approved the Board on November 14, 2022.
- Reviewed and amended by the Committee on March 23, 2023.
- Reviewed and amended by the Committee on November 11, 2025.