

BOMBAY OXYGEN INVESTMENTS LIMITED

AMENDED POLICY ON APPOINTMENT OF STATUTORY AUDITORS

OBJECTIVE:

The Policy is framed under the Reserve Bank of India's (RBI) Circular DoS.CO.ARG/SEC.01/08.91.001/2021- 22 dated 27th April, 2021 for Appointment of Statutory Auditors of Non- Banking Finance Companies (NBFCs), as may be amended or modified, replaced, or substituted from time to time (the RBI Guidelines), read with the FAQs issued on 11th June, 2021 for Appointment of Statutory Auditors (SAs) of NBFCs. However since the Company is a non-deposit taking NBFC with asset size below Rs.1000 crore, the Company has the option to continue with the extant procedure and the Company has opted for it.

This Policy on Appointment of Statutory Auditors ("Policy") is formulated in accordance with the provisions of the RBI Guidelines, to the extent applicable to the Bombay Oxygen Investments Limited ("the Company").

CRITERIA TO BE CONSIDERED BEFORE APPOINTMENT OF STATUTORY AUDITORS:

The Company shall consider the following before appointment of the Statutory Auditors:

1. Provisions of the RBI Guidelines.
2. Eligibility criteria of the SAs as prescribed by RBI from time to time based on the asset size of the Company.
3. Qualification as an auditor as per Section 141 of the Companies Act, 2013.
4. The audit firm should not be under debarment by any Government Agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or Other Financial Regulators.
5. The appointment of SAs should be in line with the ICAI's Code of Ethics/ any other such standards adopted and should not give rise to any conflict of interest.
6. Written consent of the auditor to such an appointment and a certificate that the appointment, if made, shall be in accordance with the conditions stipulated under the RBI Guidelines and other statutory provisions.
7. Limit on NBFC audits by SAs as prescribed by RBI from time to time.
8. And/or any other eligible criteria applicable on partner/s/firm as defined by the RBI from time to time and other criteria as mentioned under the Companies Act, 2013 and other applicable Laws to the Company in relation to the appointment of the Statutory Auditor.

INDEPENDENCE OF THE AUDITORS:

The Audit Committee of the Company shall monitor and assess the independence of the auditors and conflict of interest position in terms of relevant regulatory provisions, standards, and best practices.

The approval of the Audit Committee shall be sought for any non-audit assignments (other than certifications / any other assignment to be done by statutory auditor under various applicable laws) that shall be undertaken by the audit firm.

PROFESSIONAL STANDARDS OF THE STATUTORY AUDITORS:

The Statutory Auditors shall be strictly guided by the relevant professional standards in discharge of their audit responsibilities with highest diligence.

The Audit Committee of the Company shall review the performance of the Statutory Auditors on an annual basis. Any serious lapses/negligence in audit responsibilities or conduct issues on part of the Statutory Auditors or any other matter considered as relevant shall be reported to RBI.

PROCEDURE FOR APPOINTMENT OF THE STATUTORY AUDITORS (SAs):

1. The Company shall select an audit firm for every vacancy of the SAs based on above criteria;
2. The Company shall obtain an eligibility certificate, along with relevant information in the form and manner as stipulated by the RBI in this regard, from the audit firm proposed to be appointed as the Statutory Auditors, confirming the eligibility norms prescribed by RBI in the Guidelines.
3. The Company shall also obtain a written consent letter from the SAs to act as the Statutory Auditors of the Company and a certificate satisfying the criteria provided in Section 141 of the Companies Act, 2013.
4. The Audit firm selected by the Board shall be recommended to the Shareholders for their approval.
5. Shareholders shall appoint the SAs, except the appointment of SAs in case of casual vacancy shall be ratified by the shareholders as per the provisions of the Companies Act, 2013.
6. The Company shall intimate to the RBI regarding the appointment of the Statutory Auditors of the Company within one month of such appointment.

AUDIT FEE AND EXPENSES:

The audit fees for the Statutory Auditors of the Company shall be decided in terms of the relevant statutory/regulatory provisions.

The audit fees shall be commensurate with the scope and coverage of audit, size and spread of assets, accounting and administrative units, etc.

The Audit Committee shall make recommendation to the Board of Directors as per the scope and coverage of the audit subject to the relevant statutory/regulatory instructions for fixing audit fees of the Statutory Auditors.

DISCLOSURES AND TRANSPARENCY:

This Policy shall be hosted on the official website of the Company i.e. www.bomoxy.com.

AMENDMENTS / MODIFICATIONS:

To the extent any change/ amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law, however, notwithstanding such non-modification or pending such modification, the applicable law and regulations (as changed) shall prevail over the Policy, and the Policy shall be read accordingly. Such amended Policy shall be placed before the Audit Committee and the Board for noting and necessary ratification.